

THE
COUNCIL OF STATE DEBATES

VOLUME I, 1941

(19th February to 4th April, 1941)

NINTH SESSION
OF THE
FOURTH COUNCIL OF STATE, 1941



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THE
COUNCIL OF STATE DEBATES
(OFFICIAL REPORT OF THE NINTH SESSION OF THE FOURTH
COUNCIL OF STATE)

VOLUME I—1941.

COUNCIL OF STATE.

Wednesday, 19th February, 1941.

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 Ninth 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., LL.D., Bar.-at-Law) was in the Chair.

MEMBERS SWORN :

His Excellency General Sir Claude John Eyre Auchinleck, G.C.I.E., C.B., C.S.I., D.S.O., O.B.E. (Commander-in-Chief).

The Honourable Mr. Henry Carlos Prior (Labour Secretary).

The Honourable Mr. Dharendra Nath Mitra (Nominated Official).

QUESTIONS AND ANSWERS.

SHIP-BUILDING INDUSTRY.

1. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: Will Government state what steps they have taken to encourage actively merchant ship-building industry in India, as a part of their war effort; and with what result? If no efforts have been made, will Government state the reasons therefor?

THE HONOURABLE MR. H. C. PRIOR: The Honourable Member is referred to paragraph 3 of the Press Communique issued by the Department of Commerce on the 16th December, 1940. Copies of the Communique are in the Library.

PRINTING OF CURRENCY NOTES OF COUNTRIES OTHER THAN INDIA.

2. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: Will Government state whether the Security Printing Press of Nasik will be employed for printing currency notes of any other country besides India? If so, what is the proposal, if any?

THE HONOURABLE MR. C. E. JONES: The printing of currency notes of countries other than India and Burma is undertaken at the Currency Note Press if it does not interfere with their own work.

THE HONOURABLE MR. HOSSAIN IMAM: Do Government propose to print notes for other countries this year?

THE HONOURABLE MR. C. E. JONES: We have had only one firm request so far, Sir, from the Ceylon Government and the matter is still in its early stages. The design of the notes has not yet been approved, and the paper is not yet available. I have no doubt that when things are ready we will undertake this printing. As regards other countries, we have had certain preliminary inquiries but they have not yet developed into firm requests.

COMMITTEE SET UP TO EXAMINE THE CASES OF ENEMY ALIENS.

3. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: Was a special committee appointed to examine the cases of enemy aliens who were in India at the outbreak of war; and if so, who were the members of the committee?

THE HONOURABLE MR. E. CONRAN-SMITH: Two Committees have been appointed to examine the cases of enemy aliens in India. On the outbreak of the war, when, as a preliminary precautionary measure, all male enemy aliens who had attained the age of 16 years were interned, a Committee was appointed to review in the first place the cases of persons claiming to be refugees. The Committee's functions were later extended to review the cases of all internees as a result of Government's acceptance at that time of the view that the continued internment of persons believed to be harmless was not justified. The members of this Committee were originally Sir Malcolm Darling, K.C.I.E., I.C.S. and Mr. W. O. Wood, I. P. In December, 1939, Mr. J. Abernethy, I. P., was appointed as an additional member in order to expedite the conclusion of the Committee's work.

2. As a result of the methods employed by the enemy in Norway, Holland and Belgium, it was decided in June, 1940 that it was desirable to re-intern or to restrict to parole centres most enemy subjects, including refugees, who had been released by the Darling Committee; but it was recognized that, in the case of refugees in particular and in the case of those who could prove beyond reasonable doubt that they were actively opposed to the Nazi and Fascist regimes, some exceptions shall be made to this policy. An Aliens Advisory Committee was accordingly set up to investigate the cases of all Jews of enemy origin and to consider applications from all other enemy internees who claim to be anti-Nazi or anti-Fascist. The following gentlemen were appointed to this Committee:—

Chairman—

Mr. G. B. Constantine, I.C.S.

Members—

The Honourable Sir David Devadoss.

Sir Mohammad Yamin Khan, M.L.A.

Lt.-Col. L. G. V. Hamber.

Mr. A. G. Phillips, C.I.E., Bar.-at-Law.

THE HONOURABLE MR. HOSSAIN IMAM: What was the result of this second inquiry, Sir?

THE HONOURABLE MR. E. CONRAN-SMITH: The work of the second Committee is just now finishing.

OFFICERS IN THE OFFICE OF THE CHIEF PRESS ADVISER AND IN THE BUREAU OF PUBLIC INFORMATION.

4. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: Will Government lay on the table a statement showing the names of the officers, and their respective salaries, who have been appointed to posts in the Press Advisers Department and in the Bureau of Public Information, Government of India, since the outbreak of war?

THE HONOURABLE MR. E. CONRAN-SMITH: Sir, I lay a statement on the table.

Statement showing the names and the respective salaries of officers, who have been appointed to posts in the Office of the Chief Press Adviser to the Government of India and in the Bureau of Public Information since the outbreak of war.

(1) Office of the Chief Press Adviser to the Government of India:—

Name.	Salary.
	Rs.
1. Mr. Desmond Young, Chief Press Adviser	2,750
2. Mr. E. V. Britter, Assistant Press Adviser	1,200

(2) Bureau of Public Information:—

1. Mr. R. I. Hall, Information Officer	800
2. Mr. B. Fonseca, Information Officer	600
3. Mr. F. D. Douglas, Information Officer	700
4. Major G. E. Wheeler, Information Officer on Special Duty	*
5. Major Abdul Samad Shah, Special Officer	700
6. Mr. R. L. Handa, Assistant Information Officer	400
(Officiating in a permanent vacancy released by the late Mr. S. C. Guha Thakurta from 9th December, 1940 at a salary of Rs. 550 per mensem.)	
7. Mr. V. Krishnaswami, Assistant Information Officer	400
8. Mr. B. B. Kapasi, Assistant Information Officer	400
9. Mr. B. Mukhopadhyaya, Assistant Information Officer	400
10. Mr. J. A. Kidwai, Assistant Information Officer	400
11. Mr. Madho Prasad, Assistant Information Officer	400

* The question regarding fixation of Major Wheeler's salary is under consideration.

NOTE.—Besides the above, Mr. B. L. Sharma, Assistant Information Officer, has been promoted in a wartime vacancy of Information Officer on Rs. 700 per mensem.

Nos. 10 and 11 belong to the Bureau's permanent non-gazetted staff and have been promoted in temporary wartime vacancies.

INSTALLATION OF A RADIO STATION AT PATNA.

5. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: What arrangements have been made to instal a radio station in Patna; and when is it likely to be in operation?

THE HONOURABLE MR. S. N. ROY: Land for the transmitter and receiving centre is being acquired and estimates for buildings are under preparation. Arrangements have been made for obtaining power supply and are being made for telephone lines. I cannot say with any exactness when transmissions from the station will begin, as in present conditions the date of arrival of the equipment from abroad is very uncertain.

THE HONOURABLE MR. HOSSAIN IMAM: When was the order placed for this receiving set, Sir?

THE HONOURABLE MR. S. N. ROY: As far as I recollect, Sir, about eight months ago.

STATEMENTS, ETC., LAID ON THE TABLE.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Education, Health and Lands Member): Sir, I lay on the table a copy of the rules framed by the Central Government under sections 4A and 4D of the Destructive Insects and Pests Act, 1914.

DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

NOTIFICATION.

AGRICULTURE.

New Delhi, the 20th November, 1940.

No. F. 50-13 (20)/39-A.—In exercise of the powers conferred by sections 4A and 4D of the Destructive Insects and Pests Act, 1914 (II of 1914), the Central Government is pleased to make, with effect from the 1st February 1941, the following rules for regulating the transport from the Punjab, the North-West Frontier Province and British Baluchistan to any other Province in British India of certain articles which are likely to carry, the destructive insect known as San José Scale (*Aspidiotus perniciosus*) and thereby cause infection to crops, namely:—

1. In these rules, "infected Province" means the Punjab, the North-West Frontier Province or British Baluchistan.

2. The articles to which these rules apply are:—

(a) the following plants, namely, *akik*, alder, almond, apple, apricot, beech, bhang, birch, crab apple, celtis, cherry, chestnut, currant, elm, eucalyptus, grape vine, green-gage, hawthorn, lilac, mountain ash, mulberry, oak, peach, pear, persimmon, poplar, plum, quince, raspberry, rose, strawberry, walnut and willow;

(b) the following plant materials namely, buds, cuttings, scions, grafts, bulbs, leaves, seedlings, tubers and rhizomes, of the plants specified in clause (a), and

(c) any articles used in packing or wrapping up any of the plants and plant materials mentioned in clauses (a) and (b).

NOTE.—These rules do not apply to the fruits of the plants mentioned in clause (a).

3. No article to which these rules apply shall be transported from an infected Province to any other Province in British India—

- by means of letter or sample post or by air,
- by road except by such routes as may be specified by the Government of the other Province, or
- by railway or inland steam vessel unless the consignment is accompanied by a certificate in the form set forth in the Schedule annexed to these rules and signed by the authority specified therein.

Schedule.

This is to certify that the living plants/plant materials included in the consignment of which particulars are given below were thoroughly examined on.....(date) by.....(name and designation of official)..... a duly authorised official of the.....(name of Department)..... and that the consignment including the packing covered by this certificate has been adequately treated and fumigated with hydrocyanic acid gas immediately prior/subsequent to inspection and made free from living *San José Scale*.

Date of examination and fumigation.
Particulars of consignment
No. and description of packages
Distinguishing marks
Description of living plants or plant materials
Exported by
Name and address of the consignee
Signature of certifying authority *.....
Designation

* NOTE.—The above certificate should be signed—

- in the Punjab, by the Entomologist, Punjab Agricultural College, Lyallpur, or such other officer as may be authorised by the Director of Agriculture, Punjab in this behalf,
- in the North-West Frontier Province, by the Agricultural Officer of that Province, or such other officer as may be authorised by the Provincial Government in this behalf, and
- in British Baluchistan, by the Agricultural Officer, Baluchistan, or such other officer as may be authorised by the Chief Commissioner in this behalf.

G. S. BOZMAN,

Joint Secretary to the Government of India.

THE HONOURABLE MR. C. E. JONES (Finance Secretary): Sir, I lay on the table a copy of the Report* on the progress of the schemes financed from the grants for Rural Development for the period 1st December, 1938 to 30th November, 1939.

INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE.

THE HONOURABLE MR. C. E. JONES (Finance Secretary): Sir, I lay on the table the information promised in reply to part (d) of question No. 19 asked by the Honourable Mr. Hossain Imam on the 19th November, 1940.

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

NUMBER OF PERSONS WITH PLAIN B.A.* OR B.Sc. DEGREE ADMITTED OR REJECTED TO THE INDIAN AUDIT AND ACCOUNTS, ETC., SERVICES EXAMINATION, 1940, FROM EACH COMMUNITY.

Name of Province.	Admitted.			Rejected.			Remarks.
	Hindus.	Mus- lims.	Others.	Hindus.	Mus- lims.	Others.	
Assam	..	..	..	..	..	..	
Bengal	1	1	1	6	1	..	
Bihar	..	..	..	4	1	..	
Bombay	5	..	1	5	1	1	
Central Provinces	..	1	..	3	..	2	
Madras	5	..	2	10	2	1	
North West Frontier Province.	..	..	..	..	..	..	
Orissa	..	..	..	..	..	1	Rejected. Under age.
Punjab	2	2	1	7	3	4	
Sind	..	..	..	3	..	..	
United Provinces	2	3	3	17	8	1	
Other Areas	..	..	..	7	..	1	
Total	15	7	8	62	16	11	
GRAND TOTAL	30			89			

* The term "plain B.A. or B.Sc." has been interpreted as B.A. or B.Sc. *without* Honours or an additional post-graduate degree. Degrees in Law have not been taken into account.

STATEMENTS, ETC., LAID ON THE TABLE.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary): Sir, I lay on the table copies of the Declarations 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—

- (1) No. 21/37/40-Political (E), dated the 21st December, 1940, and
- (2) No. 1/1/41-Political (E), dated the 28th January, 1941.

Declaration of Exemption.

No. 21/37/40-Political (E), dated the 21st December, 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. Naoyosi Abe, an official attached to the Japanese Consulate at Bombay, so long as he holds a post in that Consulate.

H. J. FRAMPTON,

Deputy Secretary to the Government of India.

Declaration of Exemption.

No. 1/1/41-Political (E), dated the 28th January, 1941.—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. K. Ohta, an official attached to the Japanese Consulate General at Calcutta, so long as he holds a post in that Consulate-General.

H. J. FRAMPTON,

Deputy Secretary to the Government of India.

INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE.

THE HONOURABLE MR. H. C. PRIOR (Labour Secretary): Sir, I lay on the table the information promised in reply to—

- (1) Part (b) of question No. 79 asked by the Honourable Pandit Kunzru on the 29th November, 1940, and
- (2) Question No. 81 asked by the same Honourable Member on the 29th November, 1940.

GRANTS SANCTIONED FOR VARIOUS SCHEMES UNDER THE BOARD OF SCIENTIFIC AND INDUSTRIAL RESEARCH.

Statement laid on the table of the House with reference to the reply given by the Honourable Sir Alan Lloyd, to part (b) of question No. 79 on the 29th November, 1940.

Serial No.	Colleges and Universities where researches financed by the Board are being carried on.	Particulars of Schemes. (Item Nos. of the statement laid on the table of the House in answer to part (a) of question No. 79 on 29-11-1940.)	Amount sanctioned during 1940-41 (upto 28-11-40).
			Rs.
1	Aligarh Muslim University, Aligarh	10	2,500
2	Benares Hindu University	1	1,500
3	Chemical Technology Department, University of Bombay, Bombay.	4, 18 and 27	3,150
4	University College of Science and Technology, University of Calcutta, Calcutta.	5, 8, 11, 13, 15, 24 and 25.	15,700
5	Indian Institute of Science, Bangalore	6, 9, 12, 16, 22, 23 and 26.	21,250
6	Osmania University, Hyderabad, Deccan	3	2,500
7	University Chemical Laboratories, Punjab University, Lahore.	7, 19 and 28	9,220
Total			55,820

PRODUCTION OF A SUITABLE LIQUID FUEL FROM OILSEEDS AND THE PRODUCTION OF POWER ALCOHOL.

Statement laid on the table of the House with reference to the reply given by the Honourable Sir Alan Lloyd to question No. 81 on the 29th November, 1940.

(a) Part (i).—No research schemes designed to produce a suitable liquid fuel from oilseeds are now being financed by the Government. Such research has been financed in the past in connection with the utilization of vegetable oils as Diesel engine fuels, and the results have been published.

Parts (ii) and (iii).—Power alcohol is a substitute for motor spirit and not for Diesel engine fuel; any comparison between the prices of the two would therefore be meaningless.

(b) The Central Government do not at present propose to take any steps to develop the production of power alcohol as the matter is primarily the concern of the Provincial Governments.

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

(1) Part (b) (i) to (v) of question No. 93 and parts (a), (c) and (d) of question No. 94 asked by the Honourable Mr. P. N. Sapru on the 8th April, 1940; and

(2) Parts (a) and (b) of question No. 92 asked by the Honourable Haji Syed Muhammad Husain on the 2nd December, 1940.

ASSISTANT STATION MASTERS, N. W. R.

Information promised in reply to parts (b) (i) to (v) of Honourable Mr. P. N. Sapru's question No. 93 on 8th April, 1940.

(b) (i) The scale of pay for the post of Assistant Station Master, grade V was revised from Rs. 250—10—300 to Rs. 260—10—300 with effect from 23rd June, 1938.

(ii) and (iii) There were 66 such posts of which it is known that 41 were held by Europeans and Anglo-Indians, four by Indian Christians, four by Parsis and one each by a Hindu, Muslim and Sikh. Information in respect of the incumbents of the remaining 14 posts is not available.

(iv) The attached statement gives the required information.

(v) The grade was abolished as it was no longer considered necessary to retain it for Assistant Station Masters.

Statement showing the number of Assistant Station Masters grade V communitywise on 1st January, 1938, 1st April, 1938, 1st August, 1938, 1st September, 1938 and 3rd October, 1938 on the North Western Railway.

Date.	Hindus.	Muslims.	Anglo-Indian and Domiciled Europeans.	Sikhs.	Indian Christians.	Jews.	Parses.	Total.	Remarks.
1-1-1938	21	12	15	7	4	1	3	63	
1-4-1938	22	11	15	6	3	..	3	60	
1-8-1938	21	11	15	4	2	..	3	56	
1-9-1938	20	12	15	4	2	..	3	56	
3-10-1938	21	14	13	4	2	1	3	58	

ASSISTANT STATION MASTERS, N. W. R.

Information promised in reply to parts (a), (c) and (d) of the Honourable Mr. P. N. Sapru's question No. 94 on 8th April, 1940.

(a) The passing of T-5 Course and in Control renders an employee eligible, if otherwise considered satisfactory, to be placed on an approved list for promotion of Assistant Station Masters Grade V (now Grade IV) and Assistant Controllers. One such list was current from 1935 and names were added to it in 1938. No additions were made to this list in 1937 or 1939.

(c) Before 4th October, 1938 the posts of Station Masters Grade V, Assistant Station Masters Grade V and Assistant Controllers carried the same scale of pay (Rs. 260—10—300). Seniority in the grade was reckoned from the date each was confirmed in the grade. Their working and responsibilities varied. The normal channel of promotion of Station Masters Grade V was in their own line, i.e., to Station Master Grade VI, VII and VIII. Assistant Station Masters Grade V and Assistant Controllers were required to work for a certain period as Station Master Grade V and their further advancement depended upon fitness for promotion in the Station Masters' line, i.e., Station Master Grades VI, VII and VIII or to Control, i.e., Deputy Controller and Chief Controller.

(d) (i) For lack of vacancies 32 men out of those brought on to the list in 1938 had not received promotion by 1st March, 1940. There were no supersessions.

(ii) Seniority is determined in the order of the names on the list which now contains the names of only those who were placed on it in 1938. The passing of course T-7, which is in excess of the qualification required for promotion to Assistant Station Masters, Grade IV and Assistant Controller, does not confer any extra claims for such promotion.

(iii) The list was added to as the number on the list was in fact inadequate for day to day requirements.

(iv) Information in such details as asked for is not available.

(v) As regards the first part, the attached list gives the number and categories of staff on the approved list of Assistant Station Masters and Assistant Controllers after 4th October, 1938. As regards the latter part, the Honourable Member is referred to the reply to part (d) (ii).

Assistant Station Masters' List.

Category.	Number.
Guards	17
Traffic Canvassers	1
Enquiry Clerks	2
Platform and Luggage Inspectors	1
Station Masters	20
	41

Assistant Controllers' List.

Category.	Number.
Guards	9
Enquiry Clerks	4
Station and Assistant Station Masters	15
Special Ticket Examiners	3
	31

[19TH FEB. 1941.]

ATTENDANCE ON TRAINS BY THE SEVA SAMITI AT CERTAIN RAILWAY STATIONS OF THE E. I. R.

Reply to parts (a) and (b) of the Honourable Haji Syed Muhammad Husain's question No. 92, asked on the 2nd December, 1940.

(a) Yes. In the past, limited numbers of the Seva Samiti, Boy Scouts and Muslim League volunteers have been allowed to render social service at certain railway stations during important melas. They have not been allowed to live in station buildings, but temporary arrangements have been made, where possible, to enable volunteers to rest when off duty.

(b) Yes. The offer was declined because the Hindustan Scouts Association had been rendering voluntary social service to passengers of all communities since 1930 and the Railway Administration wished to avoid increasing the number of volunteers.

MESSAGES FROM HIS EXCELLENCY THE GOVERNOR GENERAL

THE HONOURABLE THE PRESIDENT: I have to deliver to you four Messages from His Excellency the Governor General:

RAILWAY BUDGET.

"For the purposes of sub-section (1) of section 67A of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, and in pursuance of rule 43 of the Indian Legislative Rules and of Standing Order 70 of the Council of State Standing Orders, I, Victor Alexander John, Marquess of Linlithgow, hereby appoint Wednesday, the 19th February, 1941, for the presentation to the Council of State, and Tuesday, the 25th February, 1941, for the General Discussion in the Council of State, of the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of Railways.

LINLITHGOW,
Viceroy and Governor General."

NEW DELHI;
The 29th January, 1941.

GENERAL BUDGET.

"For the purposes of sub-section (1) of section 67A of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, and in pursuance of rule 43 of the Indian Legislative Rules and of Standing Order 70 of the Council of State Standing Orders, I, Victor Alexander John, Marquess of Linlithgow, hereby appoint Friday, the 28th February, 1941, at 5-30 P.M., for the presentation to the Council of State, and Wednesday, the 5th March, 1941, for the General Discussion in the Council of State, of the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of subjects other than Railways.

LINLITHGOW,
Viceroy and Governor General."

NEW DELHI;
The 29th January, 1941.

"In pursuance of the provisions of sub-section (3) of section 67A as set out in the Ninth Schedule to the Government of India Act, 1935, I hereby direct that the heads of expenditure specified in that sub-section, other than those specified in clause (v) thereof, shall be open to discussion by the Council of State when the Budget for the year 1941-42 is under consideration.

NEW DELHI;
The 31st January, 1941.

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. R. H. Parker; and lastly the Honourable Saiyed Mohamed Padshah Sahib Bahadur.

LINLITHGOW,
Viceroy and Governor General."

NEW DELHI;

The 11th February, 1941.

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 the 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 Ramunni Menon, the Honourable Mr. P. N. Saprú, the Honourable Pandit Hirday Nath Kunzru, and the Honourable Mr. Abdool Razak Hajee Abdool Sattar.

WELCOME TO HIS EXCELLENCY THE COMMANDER-IN-CHIEF.

THE HONOURABLE THE PRESIDENT: Honourable Members, I am sure you will all like me to say a few words on His Excellency the Commander-in-Chief taking his seat in this Council for the first time after his arrival from England the other day. The appointment which His Excellency is called upon to fill, as you know, is the second most important appointment in the British Empire, and we are all very glad that his appointment to this high office has been hailed with approbation not only in England but in all parts of this country. Sir Claude is not new to us at all. He had many years of distinguished service in this country in which he made his name and has rendered himself so famous that when the war broke out his services were specially requisitioned in England for a much higher and greater command. His Excellency had to come back to India for some time on account of the exigencies of military administration in this country, which now forms so important a factor in this war, the problem of the future defence of India is so very great and important that an officer of his standing and experience was found necessary to take up this high post in this country; and we are all very pleased that such a distinguished soldier has been appointed to this position. I have not the slightest doubt that in his hands the best interests of India are perfectly safe, and that he will guide the destinies of this country in such a way that there will be a most important and also a prosperous military position established in this country. As you are all aware, the first thing that His Excellency did in England was to be present in the Norwegian campaign and after that he filled other posts till he was called upon to defend a most important

position in England in the war, and that is, to take charge of the Southern Command. You know how risky, how important, how onerous and responsible that position was. He has now been called upon to come back to this country which we all hail with pride and to take up his position again in this country which he served for many years in many capacities with distinction and credit. His labours and his association in connection with the Chatfield Committee are fresh in our minds. He rendered very valuable help and aid to that Committee and fortunately for India he stressed before that Committee both modernization and mechanization of the army in this country, and with what success his suggestion was received is now merely a matter of common knowledge. I have not the slightest doubt that during his regime India will prosper and before he departs from this country and lays down the charge of his office, India will become a big military and a very impregnable military country. I am very glad, Sir, to see you here in our midst and we hope we shall frequently see you when you are in Delhi to discuss many important military questions in this Council. (Applause.)

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Sir, may I thank you and the Honourable Members of this House for the kind welcome you have given me and may I thank you, Sir, for your kind words about myself. I am afraid you have endowed me with a reputation which I do not deserve and which I will find very difficult to live up to, but I will do my best.

I would like on this occasion, now that I have had the privilege of being admitted as a Member of this distinguished House, to ask your permission to say a few words. I am entirely without parliamentary experience, but I do realize the very keen interest which is taken by Honourable Members of both Houses of the Central Legislature in matters of defence and I think that this interest has two sides to it, one which is connected with the responsibility which Honourable Members have to those whom they represent in this House and the other is connected, complementing the first I am glad to note, with the interests which all Honourable Members have in doing all they can to bring this war to a victorious conclusion. I too realize very keenly my duty towards Honourable Members and that it is my duty to give every possible attention and consideration to their views, and I shall do my best to do so. There is one point on which I would like to ask the indulgence of Honourable Members and that is this. Since I came back to this country less than a month ago I have realized—it has been forced on me—that however difficult and onerous the task of the Defence Member and Commander-in-Chief may be in peace time, it is very much more so in war, especially in a war of this kind; and, as I see it, my first duty as head of the defence services in this country is primarily to devote all my energies towards ensuring that those services shall be so equipped and so organized as to make them capable of defeating our enemy wherever he may be and that task is no small one. It takes up and will take up a tremendous amount of my time. That being so, the indulgence I wish to ask is that if I am not as regular in my attendance in this House as I would like to be you will forgive me. All I can say is that whenever I can come in person I will do so (Applause), because I realize that it is very much my duty to keep touch with public opinion; in fact it is absolutely essential that I should do so—particularly with the opinions expressed and the views held by Members of this House. I hope Honourable Members will accept my assurance on this point.

There is one other matter in which I would like to ask for the co-operation of Honourable Members and that is on the question of information. In war,

I think we all realize, there is a tremendous amount of information which cannot be disclosed to the public. However much the Government may wish to do so, it cannot be done because if such information is disclosed, it may be that many lives would be lost. So I will ask Honourable Members to help me in this way and if they can possibly avoid asking for information, either through questions or in the course of debate, which it is impossible to give for the reasons which I have given, I shall be extremely grateful. For my part, I will see that every bit of information that can be given will be given and I will personally make it my business to see that it is done. (Applause.)

CONGRATULATIONS TO RECIPIENTS OF HONOURS.

THE HONOURABLE THE PRESIDENT : Honourable Members, it is customary for the President of the Council of State to offer congratulations of the Council and his own congratulations to the recipients of honours in the last Gazette and in conformity with usual practice I rise on behalf of you all to congratulate Honourable Members. The most important title of Knight Commander of the Star of India was conferred on our old friend and colleague Mr. Dow who will shortly take charge of the gubernatorial office of Sind. He received his K.C.S.I. as a matter of course as the Governor of a Province, but I venture to state that he fully deserved that great honour.

On our former Secretary Mr. John Bartley, C.I.E., the honour of C.S.I. was conferred. Mr. Bartley is not known to many of you, but I may tell you that he was my Secretary in this Council for some time some years ago and subsequently he was also a member for a short time; and latterly he has been put in an important Department where his work is not liable to be noticed by the public. In the Legislative Department, there is a Drafting Department where the work is most onerous and responsible and one of the members of that Department is in charge of that and Mr. Bartley has performed the task with such credit to himself that this honour of C. S. I. has been conferred on him which we are all very pleased to see our former Secretary and my friend Mr. Bartley receiving. I am personally indebted to Mr. Bartley for the services he rendered to me as Secretary here and I have not the slightest doubt that all those of you who know him here will appreciate this mark of distinction given to him.

The next name which I have to refer to is that of Mr. Shavax Lal, our present young and energetic Secretary, who has, during the time he has been in this Department, done wonderfully well, and he has received the title of Companion of the Indian Empire. I have always had a very high opinion of Mr. Lal and have not the slightest doubt that in the years to come he will occupy perhaps many important posts and receive higher honours. (Applause.)

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 his assent to the following Bills which were passed by the two Chambers of the Indian Legislature during the Autumn session, 1940, namely :—

1. The Indian Works of Defence (Amendment) Act, 1940.
2. The Indian Navy (Discipline) Amendment Act, 1940.
3. The Indian Navy (Discipline) Second Amendment Act, 1940.

4. The Cantonments (Amendment) Act, 1940.
5. The Repealing and Amending Act, 1940.
6. The Indian Registration (Amendment) Act, 1940.
7. The Code of Civil Procedure (Amendment) Act, 1940.
8. The Code of Criminal Procedure (Amendment) Act, 1940.
9. The Indian Companies (Amendment) Act, 1940.
10. The War Donations and Investments (Companies) Act, 1940.
11. The Reserve Bank of India (Third Amendment) Act, 1940.
12. The Motor Spirit (Duties) Amendment Act, 1940.
13. The Indian Income-tax (Amendment) Act, 1940.
14. The Indian Sale of Goods (Amendment) Act, 1940.
15. The Excess Profits Tax (Amendment) 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 meetings held on the 14th and 17th February, 1941, namely :—

A Bill to provide for the reduction temporarily of the amounts payable as instalments of the sum to be deposited by an insurer under section 7 of the Insurance Act, 1938.

A Bill further to amend the law relating to fraudulent marks on merchandise.

PRESENTATION OF THE RAILWAY BUDGET FOR 1941-42.

THE HONOURABLE MR. L. WILSON (Chief Commissioner for Railways) : Sir, I have the honour to present to the Council the statement of revenue and expenditure of the Governor General in Council in respect of the Indian Railways for the coming financial year.

Accounts for 1939-40.

2. I shall first deal with the results of 1939-40. Last year at this time my predecessor estimated that we would finish the year with a surplus of 3·61 crores. In the event, however, our receipts were 35 lakhs higher and our expenditure 50 lakhs less than our estimates, there was a small increase in interest charges and the actual surplus reached the figure of 4·33 crores, the whole of which, under the "moratorium" approved by the Legislature, was paid as contribution to the general revenues. This sum fell short by 30 lakhs of our liability to general revenues under the Convention.

Revised Estimates, 1940-41.

3 When the Budget for the current year was prepared, the war was only 5 months old and the atmosphere was full of uncertainty. There had been an improvement in traffic after the out break of war and it was assumed that some improvement would be maintained, allowance was also made for the

effect of the increase in rates and fares introduced from 1st March, 1940 and the gross earnings were put at 103 crores. In fact the improvement to the end of November was more substantial than was originally anticipated ; there was a set-back in the month of December but a phenomenal improvement in January and we now expect that our receipts will be 109½ crores, about 11½ crores better than 1939-40 and 6½ crores better than our original budget estimate. On the expenditure side, the effect of the rise in prices has not been as considerable as was anticipated, and the saving on this account on our original estimates may be taken at about half a crore. But Government have at present under consideration the report of the Court of Enquiry, which was appointed in August last to examine the question of war dearness allowance to the employees on the Great Indian Peninsula Railway. Government's intention is to apply any principles, which may be adopted for the Great Indian Peninsula Railway, to other railway servants in their employ to whom they might be equally applicable. We are not in a position to anticipate the decision of Government on the recommendations of the Court, but for estimating purposes we cannot ignore the possibility of having to incur expenditure on dearness allowance this year. Further, the phenomenal rush of traffic in January, to which I have alluded, must be reflected in increased working expenses. To meet these two contingencies, we have provided in the revised estimates the sum of half a crore. In consequence, we have placed our revised estimate of working expenses, including depreciation, at 66·71 crores which is about the same figure as the original estimate. We now expect to have a surplus this year of a little over 14½ crores.

4. The moratorium, whereby, with the approval of the Legislature, railway revenues have been relieved of the liability to repay the loans taken from the depreciation fund and to repay the arrears of contributions due to general revenues, is current until the 31st March 1942, and if we were to take advantage of this, the surplus, under the Convention of 1924, would be divisible as follows :—

7·15 crores	to general revenues for 1940-41 (including 30 lakhs arrears for 1939-40), and
7·44 crores	to railway reserve.

But with a view to assist general revenues in the present emergency, it is proposed that, out of the sum of 7·44 crores payable into the railway reserve, 1·82 crores representing the approximate amount due to general revenues in 1942-43 under clause (2) of the Convention, should be held in reserve for transfer to general revenues next year as an advance payment of what will be due in 1942-43, and that half of the balance that is 2·81 crores, should this year be paid to general revenues. General revenues will then get 9·96 crores in 1940-41. Of the remaining 4·63 crores, after earmarking the 1·82 crores required for the advance payment to general revenues next year, we propose to utilise 1 crore towards writing down part of the capital cost of the State-managed lines which have been dismantled during the year and to devote the balance towards building up our railway reserve, the sum at credit of which now stands at the very inadequate figure of about 49 lakhs. At the end of the year, and excluding the sum of 1·82 crores earmarked for payment to general revenues next year, its balance will be 2·30 crores.

The cost of the lines dismantled during the course of the year is about 190 lakhs, and we expect to receive 50 lakhs from the sale of the released materials. We estimate that about 40 lakhs has already been contributed in respect of these lines to the depreciation fund since its inception, and we consider that

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the net burden on the fund arising out of the dismantling, after allowing for the 50 lakhs credit we expect, should be limited to this sum. It is for this reason that we are allocating to meet the balance of the total write-off involved, the sum of 1 crore I have already mentioned, from the railway share of the revenue surplus.

The contribution from revenue to the depreciation fund during the current year will be 12·64 crores. Expenditure from the fund, with which I shall deal later, will be a little over 8½ crores. The balance in the fund at the close of the year will, therefore, be 35·13 crores.

Revenue in 1941-42.

5. We now come to the budget for the year 1941-42. It is difficult to form an estimate of what may happen this year which has less than two months to run, and it is still more difficult to make an estimate of what our earnings and working expenses are likely to be in the coming year with trade conditions and the international situation so uncertain. We are, therefore, unable to do better than assume that our receipts will be closely related to those of the current year. I have already mentioned the phenomenal increase in earnings in January this year and we feel that, when relating next year's earnings to the earnings of this year, we should discount this increase by one crore and, subject to this reduction, take the same figures for the earnings of both years, that is, against 109½ crores in the current year take 108½ crores for 1941-42.

Expenditure from Revenue in 1941-42.

6. Our estimate for working expenses including depreciation has been placed at 68·60 crores which is an increase of about 2 crores on the current year's figure. This increase is mainly accounted for by the anticipated increase in the cost of repairs and maintenance and by the provision for dearness allowance to certain low-paid staff for the whole year. After allowing for a reduction of 14 lakhs in interest charges, we estimate the year's working should result in a surplus of about 2½ crores less than in the current year, that is 11·83 crores against 14·59 crores.

7. The contribution payable to the general revenues for the next year under the Convention and with the moratorium still in force is 6·14 crores. But after the payment of this contribution the budget has been framed on the assumption that we assist general revenues out of the remaining 5·69 crores in the same manner as is proposed in the current year. This would mean that 2·22 crores will be allocated to general revenues and a sum of 3·47 crores to railway reserve. Of the latter amount 1·25 crores represents a liability to general revenues in 1943-44 under clause (2) of the Convention. We also, as I have already mentioned, propose to withdraw the sum of 1·82 crores paid into the railway reserve this year and transfer it to general revenues as advance payment of the contribution due in 1942-43. The total contribution to the general revenues would thus be 10·18 crores and the amount transferred to the railway reserve fund 1·65 crores, bringing the total in the fund to 5·77 crores, including the liability to general revenues of 1·25 crores. This is a very small reserve in view of the fact that in the five years following 1924-25 when the reserve fund was opened, a sum of 18½ crores was accumulated and that during the depression period which followed, this amount, with the exception of about ½ crore which was invested, was used up in 3 years and afterwards railways failed to meet their obligations to general revenues to the extent of 35 crores and also had to borrow 30 crores from the depreciation fund to meet interest

charges. A reserve of about 83 crores would, therefore, have been necessary to enable railways to meet their obligations, without borrowing, during the last depression period. The appropriation to the depreciation fund during 1941-42 will be 12·68 crores and the withdrawals about 6½ crores; the balance at credit of the fund at the end of the year will be about 41 crores.

Capital and Depreciation.

8. I shall now turn to our expenditure under capital and from the depreciation fund. During the current year, our revised estimate allows for an expenditure of 2½ crores under capital and a little more than 8½ crores under depreciation fund. In the 2½ crores under capital is included the sum of 1½ crores on account of the purchase price of the Bengal Dooars Railway. In regard to the depreciation fund, I have already alluded to the sum of 40 lakhs which will be the net debit to it on account of lines being dismantled this year. In addition to this sum, we propose also to write-off to the depreciation fund the sum of 41 lakhs which represents the value in the balance sheets of State-managed railways (Commercial) of assets which were abandoned prior to 1924 but have remained at the charge of capital. The remaining expenditure against the fund, somewhat less than 7½ crores, is mainly for replacements and renewals.

9. Our programme for 1941-42 includes 4·87 crores for the purchase of the Assam Bengal and the Bombay, Baroda and Central India Railways. for which provision has been made in full. The sums allotted for open line works, are about 6 crores for track renewals, ¾ crore for bridges and 2½ crores for other structural works. The programme also provides a little over 4½ crores for rolling stock and 67 lakhs for an increase in stores balances of railways, which has been necessitated by the present day situation. From the total provision for open line works, we have deducted about 19 per cent. to allow for railways being unable to spend the full amount and estimate the expenditure, including the purchase of the two railways, at 15½ crores of which 8½ crores is chargeable to capital and about 6½ crores to depreciation fund.

10. I will now briefly mention some aspects of the activities of Railways in the light of the past year's experience.

11. As fore-shadowed in last year's budget speech the Hours of Employment Regulations have been extended to the Assam Bengal and Bengal Nagpur Railways, with effect from the 1st January 1941. This completes the application of the Regulations to all State-owned Class I Railways.

12. In accordance with the motion adopted in this House last year, it has now been decided to place the Government Inspectors of Railways under an authority other than the Railway Board and it is hoped to bring the new Inspectorate into being shortly. The new Inspectorate will be attached to the Department of Communications and, as this Department is not staffed by officers with experience in railway operations, it will include a Chief Inspector who will be the principal technical adviser to Government on matters with which the Inspectorate is concerned. The existing cadre consists of five Inspectors; the new cadre will have the same number and in addition the Chief Inspector and an Assistant who will when required take over the duties of an Inspector on leave. The cadre will be recruited as at present from Engineers on State-managed railways with the exception of the Chief Inspector who may be recruited from either a State or a Company-managed railway. The officers appointed to the cadre will sever all connection with railways and will not thereafter be eligible for any appointment under the Railway Board.

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13. Last year my predecessor referred to certain measures for the benefit of the staff, which were then under consideration. These related to the Provident Fund and Government have since decided that, with effect from 1st January 1941, all those railway employees who do not at present subscribe to the Fund and who have completed 16 years' service may, at their option, subscribe to the Fund; also certain anomalies which existed as between one railway and another have to a great extent been removed by extending the option to all those who were not formerly subscribers and whose emoluments are more than Rs. 30 a month.

14. I am aware that Honourable Members take particular interest in the proposals to build broad gauge locomotives in India and I would like to be able to say that action had been further advanced than has, in all the circumstances, been found possible. In the present emergency it has not been possible to proceed with the design of a workshop suitable for locomotive building on a large scale, further all available skilled labour, machine tools and materials are required for war work. The shops reported on as suitable for conversion for locomotive building have therefore been handed over to the Supply Department for war work and the normal locomotive repair work transferred to the shops of other railways. If as is expected this redistribution of the repair work proves satisfactory, the way will be open for the building programme at the end of the war. Meanwhile valuable experience will be gained in the construction of broad gauge locomotives at the Ajmer shops of the Bombay, Baroda and Central India Railway, for in addition to the normal work of constructing metre gauge locomotives, work is now being started on orders for 25 light type broad gauge locomotives for the North Western and Great Indian Peninsula Railways. We expect that the first broad gauge locomotive built at Ajmer will be ready at the end of 1942 but this will depend on the availability of the material to be imported, in regard to which the position is at present somewhat obscure.

15. Similar uncertainty exists as regards the supply of boilers and boiler plates for maintenance of locomotives and, whilst every endeavour is being made to obtain supplies, there will be delays and a risk of a consequent shortage of power. The supply of wheels and axles for wagons is in arrears and here also we must be prepared to face a shortage. As regards stores generally, it has for many years been our policy to utilise, as far as available, suitable indigenous products and of these only the supply of steel is causing anxiety and strict economy is being exercised, e.g., we are limiting our coach building to the number of new underframes in stock and to rebuilding on old underframes. Wood sleepers are being ordered instead of steel for sections of the railways where normally steel would be used. We are already aware that the supply of new rails will probably be less than half our normal requirements and, with the ever increasing demand for munitions, the position may further deteriorate. I am not taking a pessimistic view of the situation and trust that, throughout the emergency, we shall be able to carry the traffic offering though there may be some delay in handling it in peak periods.

16. My predecessor last year mentioned the appointment of a Committee to report on measures to be taken to improve the utilisation of wagons and the recommendations of this Committee have already resulted in considerable improvement in this direction. He also mentioned works to be taken in hand on the East Indian Railway which will increase the line capacity on the congested sections of that railway. Those works are in hand and will, when completed, afford substantial relief.

17. The Transport Advisory Officer who was appointed in January 1940 has been of great assistance in improving the supply of wagons to the collieries and in the distribution of the loaded wagons. He has worked in close co-operation with the Wagon Supply Committee, the three Calcutta Railways, the Director of Wagon Interchange and the Chief Mining Engineer, all of whom, I understand, make good use of his advice.

18. The war has had a great effect on all our activities. We have had to handle additional traffic which, of course, is our proper business, but we have been able to give assistance in the war effort in directions outside our normal activities. We cannot, of course, compare our effort with that which is being made by English Railways, which are in the battle area, but we can take credit for such efforts as we have been called upon to make. Our workshops are, in addition to their normal work, employed to an ever increasing extent on the manufacture of munitions besides which certain shops have been, and others shortly will be, entirely employed on war work. We are also training a large number of skilled work-men for munitions production. These men, on the completion of their training, will be employed either in railway workshops, or in other shops, employed on war work.

19. Many railway officers have been released not only for service in Railway Technical Units but for work in other departments, including the Supply Department, in connection with the war. A number of Reserve officers have rejoined their Units and the majority of the R. E. officers have been recalled to military duty. Apart from gazetted officers, other railway employees have volunteered and have been accepted for combatant and non-combatant service chiefly, of course, in the Railway Technical Units where their professional abilities will be utilised to the best advantage.

20. Honourable Members are already aware that railways have been called upon to supply track for essential military purposes and that, after spare stocks were exhausted and taking into account track which would be released by our relaying programme within the required time, it was necessary to dismantle certain branch lines. Great care was given in the selection of the lines to be dismantled and the branches closed were those with suitable track which were unremunerative or insufficiently remunerative and which served areas provided with other forms of transport facilities. In every case the Provincial Government, or the Indian State concerned, was consulted. The branches selected for dismantlement cover a mileage of 348, of which the track or branches covering 137 miles has been lifted, branches covering 123 miles are in process of dismantlement and work on a branch of 88 miles will immediately be taken in hand. I am not in a position to say what further assistance in this direction railways will be called upon to give, but Honourable Members may rest assured that, if any steps are taken, the necessity will be a real one and that the search for an alternative to dismantlement, which we have made from the beginning, will continue.

21. On this occasion each year it is the privilege of the chief Commissioner of Railways to refer with pleasure to the services rendered by the staff on Indian Railways. I am sure none of my predecessors has had better reason than I have this year for doing so. The highly experienced staff is being reduced by war demands, especially in the officers and supervising cadres involving frequent change in charges and this at a time when they are called upon to deal with an increased traffic and with the initiation and execution of new activities to some of which I have already briefly referred. The response all along the line has been admirable and with an *esprit de corps* second to none, I look to the future with confidence. (Applause.)

STATEMENT OF BUSINESS.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House): With regard to the business for next week, Sir, we propose to take up the general discussion of the Budget Statement presented by the Chief Commissioner for Railways this morning on Tuesday the 25th, and on Wednesday the 26th we propose to take up the two Bills passed by the Legislative Assembly copies of which have been laid on the table of the House to day.

The Council then adjourned till Eleven of the Clock on Tuesday, the 25th February, 1941.

COUNCIL OF STATE.

Tuesday, 25th February, 1941.

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

QUESTION AND ANSWERS.

SUPPLY DEPARTMENT.

6. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: Will Government give information on the following points :—

(a) The reorganization of the Supply Department, and its co-ordination with the Indian Stores Department ?

(b) The total number of ministerial staff appointed since the creation of the Supply Department ?

(c) The names of officers drawing a salary of Rs. 500 per month and more ; and the salaries which they were drawing before their appointment in the Supply Department ?

(d) The total value of orders placed by the Department to the contractors indicating separately the value of orders given to European contractors and to Indian contractors ?

THE HONOURABLE MR. A. DEC. WILLIAMS: (a) The information is contained in the Supply Department communique, dated the 11th December, 1940, a copy of which is in the Library of the House.

(b) So far as the Supply Department Main Secretariat and the headquarters staff of the two Directorates General are concerned, the figure is 410.

(c) I place on the table a statement giving the necessary information.

(d) The total value of the orders placed by the Department from the 1st September, 1939 to the 15th January, 1941 amounts to Rs. 81 crores approximately. I regret that the information regarding the values of the orders placed with the European and Indian firms separately is not readily available and would require a considerable amount of time and labour in collection.

Statement showing the names of officers drawing a salary of Rs. 500 per month and more ; and the salaries which they were drawing before their appointment in the Supply Department.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Main Secretariat.</i>				
1	Mr. H. Dow, K.C.S.I., C.I.E., I.C.S., Vice-President, War Board.	Rs. 4,000 . . .	Rs. 5,000 . . .	This post will be abolished after the 31st March 1941.

Statement showing the names of officers drawing a salary of Rs. 500 per month and more; and the salaries which they were drawing before their appointment in the Supply Department—contd.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Main Secretariat—contd.</i>				
2	Mr. E. M. Jenkins, O.I.E., I.C.S., Secretary.	Rs. 3,000+S. O. P. £13-6-8+fixed T. A. Rs. 300.	Rs. 3,000+S. O. P. £13-6-8.	S. P.—Special pay.
		Compensatory allowance Rs. 250] and free house.		S. O. P.—Sterling overseas pay.
3	Mr. Ghulam Mohammad, Controller General of Purchase.	Rs. 3,000 in the scale of Rs. 3,000-100-3,500.	Rs. 3,000 in the scale of Rs. 3,000-100-3,500.	P. P.—Personal Pay.
4	Mr. J. A. Mackeown, I.C.S., Deputy Secretary.	Rs. 1,600 in the senior time scale of the I.C.S.+ S. O. P. £30+S. P. Rs. 400.	Rs. 1,800 in the senior time scale of the I.C.S.+ S. O. P. £30+S. P. Rs. 400.	D. A. Duty Allowance.
5	Mr. M. Ikramullah, I.C.S., Deputy Secretary.	Rs. 1,500 in the senior time scale of the I.C.S.	Rs. 1,600+S. P. Rs. 400.	
6	Mr. S. R. Zaman, I.C.S., Deputy Secretary.	Rs. 2,050 in the senior time scale of the I.C.S.	Rs. 2,150+S. P. Rs. 400.	
7	Mr. H. M. Patel, I.C.S., Deputy Secretary.	Rs. 1,500 in the senior time scale of the I.C.S.	Rs. 1,600+S. P. Rs. 400.	
8	Mr. S. Bhoothalingam, I.C.S., Under Secretary.	Rs. 900 in the junior time scale of I.C.S.+ Officiating pay Rs. 300.	Rs. 1,275 in the senior scale of the I.C.S.+ S. P. Rs. 150.	
9	Mr. G. Corley-Smith, M.B.E., Under Secretary.	Rs. 1,250+S. P. Rs. 150.	Rs. 1,250+S. P. Rs. 50.	
10	Rai Sahib Dip Chand, Under Secretary.	Rs. 1,000 fixed	Rs. 1,200 fixed.	
11	Mr. J. Byrne, Assistant Secretary.	Rs. 580 in the scale of Rs. 500-40-700+S. P. Rs. 100.	Rs. 1,050 in the scale of Rs. 1,000-50-1,250.	
12	Mr. F. H. T. Ward, Assistant Secretary (Munitions Production Branch).	Rs. 800 in the scale of Rs. 600-40-800.	Rs. 1,000 in the scale of Rs. 1,000-50-1,250.	
13	R. B. S. K. Banerjee, Officer on Special Duty.	Pension	Rs. 500+ Pension.	
14	Lt.-Col. T. H. Battye, Director of Statistics.	Rs. 1,325+ pension of £734 per year.	Rs. 1,325+ pension of £734 per year.	
15	Mr. S. N. Mitter, Assistant Director of Statistics.	Rs. 450 in the scale of Rs. 290-20-450.	Rs. 500 fixed.	

Statement showing the names of officers drawing a salary of Rs. 500 per month and more; and the salaries which they were drawing before their appointment in the Supply Department—contd.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Main Secretariat—concl.</i>				
16	Mr. C. J. Rusby, Superintendent.	Rs. 272 in the scale Rs. 200-12-440+ 1/6th of pay as duty allowance.	Rs. 640 in the scale Rs. 600-40-800.	
17	Mr. Mohd. Abdullah, Superintendent.	Rs. 350 in the scale Rs. 250-20-350.	Rs. 600 in the scale Rs. 600-40-800.	
18	Mr. A. R. Kapur, Superintendent.	Rs. 470 in the scale Rs. 200-15-500.	Rs. 600 in the scale Rs. 600-40-800.	
19	Mr. Shiv Dev Singh, Superintendent.	Rs. 210 in the scale Rs. 90-8-250+S. P. Rs. 50.	Rs. 600 in the scale Rs. 600-40-800.	
<i>Directorate General of Supply.</i>				
1	Brigadier E. Wood, M.C., Director General.	Rs. 2,070 . . .	Rs. 3,000+S.O.P. £13-6-8.	
2	Mr. R. W. Targett, Deputy Director General (I.).	Rs. 3,200 in the scale Rs. 3,000-100-3,500.	Rs. 3,500.	
3	Mr. L. Mason, C.I.E., O.B.E., M.C., I.F.S., Deputy Director General (II).	Rs. 3,250 . . .	Rs. 3,000.	
4	Mr. D. M. Passmore, Director of Textiles.	Previous emoluments not less than present salary.	Rs. 2,250 . . .	Was Managing Director of Messrs. Binny & Co., Madras.
5	Mr. D. Stewart, O.B.E., I.F.S., Director, Timber Supplies.	Rs. 1,350+S. P. Rs. 177-12+S.O.P. £30.	Rs. 1,950+S. O. P. £13-6-8 in the scale Rs. 1,750-100-2,150.	
6	Mr. A. E. Hampson, Director, Miscellaneous Stores.	Previous emoluments considerably more than present pay.	Rs. 1,500 . . .	Was Sales Manager of Messrs. Jenson & Nicholson (India), Calcutta.
7	*Col. F. P. J. Williams, Director of Clothing.	Rs. 2,205 . . .	Rs. 2,205.	
8	*Mr. R. Wilmot, M.C.E.D., Director, Leather Manufactures.	Rs. 1,750+S.O.P. £30.	Rs. 1,750+S.O.P. £30.	

Statement showing the names of officers drawing a salary of Rs. 500 per month and more ; and the salaries which they were drawing before their appointment in the Supply Department—contd.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Directorate General of Supply—contd.</i>				
9	Major E. C. Ormond, (Reserve Officer), Director, Co-ordination.	Income considerably in excess of his present emoluments.	Rs. 1,530 .	Was a practising Barrister.
10	*Col. S. M. Cookson, I.A., Director, Foodstuffs.	Rs. 1,955 Lodging Allowance Rs. 170 Marriage Allowance Rs. 80.	Rs. 1,955 Lodging Allowance Rs. 170 Marriage Allowance Rs. 80.	
11	*Lt.-Col. E. Bader, Director, Vehicles.	Rs. 2,045 .	Rs. 2,260 Provisional.	
12	Mr. W. E. Flewett, I.F.S., Deputy Director (Inspection), Timber Directorate.	Rs. 1,350+S. P. Rs. 300, S. O. P. £30.	Rs. 1,750+S. P. Rs. 300.	
13	Mr. P. R. Crerar, Deputy Director, Chemicals.	Rs. 1,200 in the scale of Rs. 1,200-100-1,600.	Rs. 1,500 fixed.	
14	Mr. J. Walker, Deputy Director, Timber.	Rs. 1,250+S. O. P. £30.	Rs. 1,300+S. P. Rs. 250+S. O. P. £30.	
15	Mr. V. S. Kuppaswami, I.F.S., Deputy Director (Timber).	Rs. 1,100 in the scale Rs. 575-1,350.	Rs. 1,150+S. P. Rs. 150.	
16	Mr. M. V. Laurie, Deputy Director, Timber.	Rs. 1,000+S. O. P. £30+S. P. Rs. 150.	Rs. 1,050+S. O. P. £30+S. P. Rs. 150.	
17	Major J. Bleack, Deputy Director, Leather Manufactures.	Rs. 1,430 .	Rs. 1,430.	
18	Mr. W. J. Oakley, Deputy Director (Textiles).	Average earning not less than Rs. 1,250.	Rs. 1,500.	
19	*Mr. A. G. R. Horton Bennett, O.B.E., I.O.S., Superintendent of Clothing Production.	Rs. 1,550+S. P. Rs. 200+S. O. P. £30.	Rs. 1,550+S. P. Rs. 200+S. O. P. £30.	
20	R. B. Kirpa Ram, Assistant Superintendent of Clothing Production.	Rs. 1,800 in the scale of Rs. 1,500-75-1,800.	Rs. 1,800.	
21	*Lt.-Col. A. A. Dean, Assistant Superintendent of Clothing Production.	Rs. 1,530 .	Rs. 2,130.	
22	Mr. S. K. Chaudhuri, Assistant Director, Textiles.	Average monthly income about Rs. 1,000.	Rs. 800.	

Statement showing the names of officers drawing a salary of Rs. 500 per month and more ; and the salaries which they were drawing before their appointment in the Supply Department—contd.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Directorate General of Supply—contd.</i>				
23	Mr. L. Knibb, Assistant Director, Textiles.	Total earnings approximately the same as pay now drawn.	Rs. 900.	
24	Mr. P. N. Puri, Assistant Director, Timber.	Rs. 700 in the scale of Rs. 250-750+S. P. Rs. 50.	Rs. 725+S. P. Rs. 150.	P.
25	Rai Sahib Bishambar Dass, Assistant Director, Miscellaneous Stores.	Rs. 1,000 in the scale Rs. 1,000-50-1,250.	Rs. 800+S. P. Rs. 200.	P.
26	*Mr. Mohd. Shaffi, Technical Officer, Clothing.	Rs. 700 .	Rs. 700.	
27	Mr. T. V. Siva, Superintendent.	Rs. 175 in the scale Rs. 125-10-175+Rs. 12-8 as duty allowance.	Rs. 520.	
<i>Directorate General, Munitions Production.</i>				
1	Sir Guthrie Russell, K.C.I.E., D.G.M.P.	Rs. 5,000 .	Rs. 5,000.	
2	*Lt.-Col. J. J. L. MacKirdy, O.S.D.	Rs. 1,530 .	Rs. 2,045.	
3	*Mr. G. S. Butler, C.I.E., D.D.G., A.P.	Rs. 2,350+S. O. P. £13-6-8.	Rs. 2,750.	
4	*Mr. T. F. Borwick, C.I.E., D.S.O.	Rs. 1,750+S. O. P. £30+D. A. Rs. 150.	Rs. 2,350+S. O. P. £13-6-8.	
5	*Mr. H. I. Mathews, M. C., Co-Ordination Officer.	Rs. 1,750+S. O. P. £30.	Rs. 1,750+S. O. P. £30.	
6	Mr. R. J. Dunderdale, A.D.O.F. (Admn.).	Rs. 1,750+S. O. P. £30.	Rs. 1,750+S. O. P. £30.	
7	*Major W. J. K. Viney, R.A.O.C., Assistant Coordination Officer.	Rs. 1,530 .	Rs. 1,530.	
8	Mr. N. Hackney, I.S.R., Development Officer.	Rs. 1,300+P. P. Rs. 75+S. O. P. £30.	Rs. 1,300+P. P. Rs. 75+S. O. P. £30.	
9	Mr. W. L. D. Martyn, O.S.D.	Rs. 925+S. O. P. £30.	Rs. 925+ Rs. 100 Offg. pay+S.O.P. £30.	
10	Mr. R. C. Case, I.S.R., D.C.P.	Rs. 1,950+S. P. Rs. 800+S. O. P. £13-6-8.	Rs. 1,950+S. P. Rs. 800+S. O. P. £13-6-8.	

Statement showing the names of officers drawing a salary of Rs. 500 per month and more ; and the salaries which they were drawing before their appointment in the Supply Department—contd.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Directorate General, Munitions Production—contd.</i>				
11	Mr. R. K. Innes, D.D.C.P.	Rs. 1,350+S. O. P. £30.	Rs. 1,350+S. O. P. £30.	
12	Mr. J. B. Durning, I.O.S., A.D.C.P.	Rs. 1,250+S. O. P. £30.	Rs. 1,350+S. O. P. £30.	
13	Mr. R. C. Frain, M.C., I.P.O., Main Office.	Rs. 1,250+S. O. P. £30.	Rs. 1,250+S. O. P. £30.	
14	*Major C. B. Vinycomb, I.A.O.C., A.I.P.O.	Rs. 1,530 . .	Rs. 1,530.	
15	*Mr. K. H. T. Gilbertson, C. E. A. to D. O. F.	Rs. 1,350+S. O. P. £30.	Rs. 1,350+S. O. P. £30.	
16	*Mr. A. D. McClancy, A. C. E. A. to the D. O. F.	Rs. 700+S. O. P. £25.	Rs. 700+S. O. P. £25.	
17	*Mr. Madhusudan Singh, Officer, Supervisor.	Rs. 900 . .	Rs. 900.	
18	*Mr. C. E. Jolly, Officer Supervisor.	Rs. 1,100 . .	Rs. 1,100.	
19	Mr. J. M. Smith, A.I.P.O.	..	Rs. 1,000.	
20	Mr. J. Aitken, A.I.P.O.	Rs. 600+S. O. P. £25.	Rs. 600+S. O. P. £25.	
21	Mr. A. D. Wilks, A.I.P.O.	Rs. 600+S. O. P. £25.	Rs. 600+S. O. P. £25.	
22	Mr. G. Richards, A.I.P.O.	Rs. 675 . .	Under considera- tion.	
23	Mr. M. A. Cook, A.I.P.O.	Rs. 675 . .	Under considera- tion.	
24	*Mr. C. W. Clarke, Indus- trial Planning Officer.	Rs. 1,350+S. O. P. £30.	Rs. 1,350+S. O. P. £30.	
25	*Mr. E. W. F. Johnson, Industrial Planning Officer.	Rs. 1,100+D. A. Rs. 150+S. O. P. £30.	Rs. 1,100+D. A. Rs. 150+S. O. P. £30.	
26	*Lt.-Col. M. H. Cox, Director of Factory (Expn.).	Rs. 2,230 . .	Rs. 2,230.	
27	Col. F. B. Pigott, Chief Engineer, Factories.	Rs. 2,260 . .	Rs. 2,305.	
28	Major I. H. F. Boyd, R.E., Sore (II.)	Rs. 1,195 . .	Rs. 1,620.	
29	*Mr. T. A. Miller, Sur- veyor of Works.	Rs. 450+S. O. P. £20.	Rs. 450+S. O. P. £20.	
30	*Mr. F. C. Foreman, A.D.O.F.	Rs. 1,450+S. O. P. £30.	Rs. 1,450+S. O. P. £30.	
31	*Mr. C. C. Meadmore, Civil Engineer Adviser to the Director of Ord- nance Factories (Expn.).	Rs. 950+S. O. P. £30+D. A. Rs. 100.	Rs. 950+S. O. P. £30+D. A. Rs. 100.	

Statement showing the names of officers drawing a salary of Rs. 500 per month and more ; and the salaries which they were drawing before their appointment in the Supply Department—contd.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Directorate General, Munitions Production—contd.</i>				
32	*Mr. A. M. Leiper, Assist- ant Engineer Adviser to the D. O. F. (Expn.).	Rs. 650+S. O. P. £25+D. A. Rs. 100.	Rs. 650+S. O. P. £25+D. A. Rs. 100.	
33	*Mr. A. B. James, A. E. A. to D. O. F. (Expn.).	Rs. 600+S. O. P. £25+D. A. Rs. 100.	Rs. 600+S. O. P. £25+D. A. Rs. 100.	
34	*Mr. G. H. Whyte, A. C. E. A. to the D. O. F.	Rs. 600+S. O. P. £25+D. A. Rs. 100.	Rs. 600+S. O. P. £25+D. A. Rs. 100.	
35	Lieut. A. N. Daniell, I.R.E.M. (F.).	Rs. 760 . .	Rs. 760.	
36	Mr. F. G. S. Martin, D. D. G. (E.).	Rs. 2,750+S. O. P. £13-6-8.	Rs. 2,750+S. O. P. £13-6-8.	
37	Mr. F. A. Stott, I.P.O.	Rs. 850+£30+ D. A. Rs. 100.	Rs. 850+£30+ D. A. Rs. 100.	
38	Mr. R. A. MacGregor, Director of Metals.	Rs. 2,000+S. P. Rs. 350.	Rs. 2,500.	
39	Mr. G. C. Mills, Deputy Director of Metals.	Rs. 1,350+S. O. P. £30.	Rs. 1,350+S. O. P. £30.	
40	Mr. J. R. Walton, Deputy Director of Steel.	Rs. 500 [†] . .	Rs. 500.	
41	Mr. S. M. K. Alvi, Deputy Director of Metals (Steel Control Office).	Rs. 375 . .	Rs. 375+S. P. Rs. 175.	
42	Mr. J. Humphries, Direc- tor of Engineering.	Rs. 2,500+S. O. P. £13-6-8.	Rs. 2,500+S. O. P. £13-6-8.	
43	Mr. S. W. White, Deputy Director of Engineering.	Was drawing con- siderably more as Bridge Engineer, E. I. Railway than present emolu- ments.	Rs. 1,000.	
44	Mr. H. Sparrow, Deputy Director of Engineering.	Rs. 975+Offg. pay Rs. 50+S. O. P. £30.	Rs. 975+Offg. pay Rs. 50+S. P. Rs. 250+S. O. P. £30.	
45	Mr. P. C. Mukerjee, De- puty Director of En- gineering.	Rs. 1,025 . .	Rs. 1,025.	
46	Mr. J. Oswald, Deputy Director of Engineering.	Rs. 1,700 . .	Rs. 1,000.	
47	Engr.-Commdr. J. Beggs, Director of Shipbuild- ing.	Rs. 1,830 . .	Rs. 1,830.	

Statement showing the names of officers drawing a salary of Rs. 500 per month and more ; and the salaries which they were drawing before their appointment in the Supply Department—contd.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Directorate General, Munitions Production—conold.</i>				
48	Mr. A. Paxton, Deputy Director of Shipbuilding.	Rs. 1,050+free quarters nominal rent Rs. 75.	Rs. 1,200.	
49	Mr. G. V. Dorsey, Office Superintendent.	Rs. 600 . . .	Rs. 600.	
50	Mr. T. D. Welby, I.P.O., Bengal Circle.	Rs. 1,361 . . .	Rs. 850+D. A. Rs. 100+L. A. Rs. 50+S. O. P. £30.	
51	Mr. W. H. Abel, I.P.O., Punjab Circle.	Rs. 960+S. O. P. £25.	Rs. 960+S. P. Rs. 100+S. O. P. £25.	
52	Mr. G. E. Hoare, A.I.P.O., Punjab Circle.	Rs. 800 . . .	Rs. 800+S. P. Rs. 160.	
53	Mr. L. A. Hoyle, Works Manager, Kanchrapara.	Rs. 1,950+S. O. P. £13-6-8.	Under considera- tion.	
54	Mr. R. W. Moon, A.W.M., Kanchrapara.	Rs. 675 . . .	Under considera- tion.	
55	Mr. G. A. R. Trimming, D. D. G. M. T. and Cr. of M. T.	Rs. 3,000+S. O. P. £13-6-8.	Rs. 3,000+S. O. P. £13-6-8.	
56	Mr. H. M. Mathews, Elec- tric Commissioner with the Government of India.	Average annum Rs. 1,750. per about	Rs. 3,000+S. O. P. £13-6-8.	
57	2nd-Lt. J. F. Bagnal, S.O.R.E. (III.).	Do. . .	Under considera- tion.	
58	Mr. G. H. Welford, Direc- tor, Civil Production.	Rs. 1,750+S. O. P. £30.	Under considera- tion.	
59	Mr. C. W. Budd, Director, M. T.	Approximately the same as now.	Rs. 2,000.	
60	Mr. J. Hodgkinson, Deputy Director, M. T.	Do. . .	Rs. 1,500.	
61	Mr. A. J. Cunningham, Accounts Officer, Civil Production.	Rs. 700-50-1,000	Rs. 700-50-1,000.	

NOTE.—*Officers transferred from the M. G. O. Branch and E.-in-C.'s Branch (De-
fence Department) to the Department of Supply for the duration of the war.
The rates of pay mentioned above are exclusive of Calcutta compensatory allowance
and H. R. allowance.

Statement showing the names of officers drawing a salary of Rs. 500 per month and more ; and the salaries which they were drawing before their appointment in the Supply Department—contd.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Contracts Directorate.</i>				
1	Brigadier A. F. F. Thomas, Director of Contracts and Chief Controller of Pur- chase (Munitions).	Rs. 1,530 . . .	Rs. 2,500.	
2	Colonel P. J. Gibbs, O.B.E., Deputy Director of Contracts and Deputy Chief Controller of Purchase (Supply).	Rs. 1,625 . . .	Rs. 2,205.	
3	Lieut.-Colonel E. J. Boughton, R.I.A.S.C., Assistant Director of Contracts (I.).	Rs. 1,255 . . .	Rs. 2,130.	
4	Lieut.-Colonel H. G. Fowler, I.A.O.C., Assistant Director of Contracts (II.).	Rs. 1,530 . . .	Rs. 2,130.	
5	Lieut.-Colonel L. J. L. Addison, R.I.A.S.C., Assistant Director of Contracts (III.).	Rs. 1,255 . . .	Rs. 2,130.	
6	Major F. H. D. Teal, R.I.A.S.C., Deputy Assistant Director of Contracts.	Rs. 850 . . .	Rs. 1,530.	
7	Capt. A. R. Haseler, I.A.O.C., Staff Captain.	Rs. 1,000 . . .	Rs. 960.	
8	Capt. H. H. B. Gill, I.A.O.C., Staff Captain.	Income from agency business not known ; was drawing Rs. 1,800 from Standard Tele- phone & Cables, Ltd.	Rs. 1,090.	
9	Capt. E. V. Hammond, I.A.O.C., Staff Captain.	Rs. 1,000+allow- ances.	Rs. 1,090.	
10	Capt. G. N. P. Hodder, I.A.O.C., Staff Captain.	Rs. 1,230 includ- ing all allowances.	Rs. 960.	

Statement showing the names of officers drawing a salary of Rs. 500 per month and more ; and the salaries which they were drawing before their appointment in the Supply Department—contd.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Contracts Directorate</i> —contd.				
11	Capt. P. C. Tutton, I.A.O.C., Staff Captain.	Rs. 1,566 (consolidated).	Rs. 1,090.	
12	Capt. R. B. Otter, I.A.O.C., Staff Captain.	Rs. 600+free car and provisions at cost price.	Rs. 1,090.	
13	2nd-Lieut. C. V. Thomas, I.A.O.C., Attached Officer.	Rs. 900 . .	Rs. 630.	
14	Capt. E. W. Hart, I.A.O.C., Staff Captain.	Rs. 1,500 including allowances.	Rs. 1,090.	
15	Capt. M. K. Anver, I.A.O.C., Staff Captain.	Rs. 770 . .	Rs. 800.	
16	2nd-Lieut. J. S. Thompson, I.A.O.C., Attached Officer.	Rs. 545 . .	Rs. 630.	
17	Capt. J. Banerji, I.A.O.C., Staff Captain.	Rs. 900 . .	Rs. 900.	
18	Lieut. Hukmat Khan, A.I.R.O., Attached Officer.	Rs. 630 . .	Rs. 630* . .	*Provisional.
19	2nd-Lieut. K. E. Davan, Attached Officer.	Rs. 405 . .	Rs. 545.	
20	Capt. A. M. Thomson, A.I.R.O., Attached Officer.	Rs. 1,200 . .	Rs. 1,200.	
21	2nd-Lieut. J. R. Murray, I.A.O.C., Attached Officer.	£750 per annum plus free quarters.	Rs. 630.	
22	Rao Sahib G. Appaswamy, Officer Supervisor.	Rs. 700 . .	Rs. 1,000.	
23	Mr. A. E. deCosta, Officer Supervisor.	Rs. 700 . .	Rs. 950.	
24	Mr. A. Cardozo, Officer Supervisor.	Rs. 700 . .	Rs. 950.	
25	Mr. P. C. Roy, Officer Supervisor.	Rs. 700 . .	Rs. 900.	
<i>Indian Stores Department.</i>				
1	Mr. H. Sur, Offg. Chief Controller of Stores.	Rs. 2,500 . .	Rs. 2,800(a) minus pension admissible to him.	
2	Mr. H. F. Davy, Deputy Chief Controller of Stores.	Rs. 2,450+£13-6-8	Rs. 2,750+(a) £13-6-8.	

Statement showing the names of officers drawing a salary of Rs. 500 per month and more ; and the salaries which they were drawing before their appointment in the Supply Department—contd.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Indian Stores Department</i> —contd.				
3	R. B. Kirpa Ram, Deputy Director of Administration and Intelligence.	Rs. 1,725 . .	Rs. 1,800 (b)	Temporarily transferred to the Department of Supply.
4	Rao Sahib V. Subrahmanyam, Assistant Director of Administration and Intelligence.	Rs. 1,100 . .	Rs. 1,150(b).	
5	Mr. M. Hashim, Officer on Special Duty (Administration).	*	*	*He draws his grade pay plus a special pay of Rs. 150.
6	Mr. A. N. Banerjee, Assistant Director of Administration.	Rs. 800 . .	Rs. 1,000 (a).	
7	R. B. D. Sadasivam, Offg. Director of Purchase.	Rs. 2,000 . .	Rs. 2,000.	
8	Mr. G. T. Thadhani, Offg. Director of Purchase.	Rs. 1,725 . .	Rs. 2,000 (a).	
9	Mr. K. K. Bose, Deputy Director of Purchase.	Rs. 1,800 . .	Rs. 1,800.	
10	R. B. D. N. Chatterjee, Deputy Director of Purchase.	Rs. 1,575 . .	Rs. 1,575.	
11	Mr. D. W. Lewis, Deputy Director of Purchase.	Rs. 1,500 . .	Rs. 1,575(b).	
12	Mr. J. Munro, Senior Purchase Officer.	Rs. 1,150 . .	Rs. 1,350(a).	
13	Mr. K. C. Pakrasi, Assistant Director of Purchase, Calcutta.	Rs. 1,200 . .	Rs. 1,200.	
14	Mr. R. P. Mathur, Controller of Purchase, Bombay.	Rs. 1,150 . .	Rs. 1,200(b).	
15	Mr. T. P. Barat, Offg. Assistant Director of Purchase.	Rs. 650 . .	Rs. 1,000(a).	
16	Mr. P. G. Bhagat, Assistant Director of Purchase (Vehicles).	Rs. 1,000 . .	Rs. 1,000.	
17	Mr. E. Dixon, Offg. Controller of Purchase, Karachi.	Rs. 1,150+S. P. Rs. 150.	Rs. 1,200.	

Statement showing the names of officers drawing a salary of Rs. 500 per month and more ; and the salaries which they were drawing before their appointment in the Supply Department—contd.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Indian Stores Department</i> —contd.				
18	Mr. A. K. Malik, Officer on Special Duty (Tents).	*	*	*He draws his grade pay plus a special pay of Rs.300.
19	Mr. N. M. Adyanthaya, Purchase Officer, Madras.	Rs. 900 . .	Rs. 1,000(a).	
20	K. B. A. G. Khan, Offg. Director of Inspection.	Rs. 1,750 + P. P. Rs. 150.	Rs. 2,250(a).	
21	Mr. R. C. Arbery, Controller of Inspection (Metallurgical).	Rs. 1,250 . .	Rs. 1,500(a) + S. P. Rs. 100 (c).	
22	Mr. R. G. Burt, Offg. Controller of Inspection, Calcutta.	Rs. 1,250 + S. P. Rs. 100.	Rs. 1,350(b) + S. P. Rs. 100.	
23	Mr. A. V. Humby, Assistant Controller of Inspection.	Rs. 1,200 + S. P. Rs. 150.	Rs. 1,200 . .	On leave preparatory to retirement.
24	Mr. P. Hinde, Assistant Metallurgical Inspector.	Rs. 1,200 + S. P. Rs. 50.	Rs. 1,200.	
25	Mr. B. N. Dutta, Assistant Controller of Inspection.	Rs. 1,200 . .	Rs. 1,200.	
26	Mr. J. B. Glass, Offg. Deputy Director of Inspection.	Rs. 1,200 . .	Rs. 1,250(a).	
27	Mr. E. D. V. Ellison, Controller of Inspection, Bombay.	Rs. 1,150 . .	Rs. 1,200(b) + S. P. Rs. 150(c).	
28	R. B. Dr. R. N. Chaudhuri, Offg. Assistant Metallurgical Inspector.	Rs. 1,150 . .	Rs. 1,200 (b).	
29	Mr. C. S. Sarkar, Offg. Assistant Controller of Inspection, Karachi.	Rs. 1,150 . .	Rs. 1,200(b).	
30	Mr. F. Ashmore, Offg. Assistant Controller of Inspection, Calcutta.	Rs. 950 . .	Rs. 950.	
31	Mr. M. N. Goon, Assistant Engineer (Inspection).	Rs. 810 . .	Rs. 810.	
32	Mr. S. S. Iyengar, Offg. Assistant Controller of Inspection, Calcutta.	Rs. 750 + S. P. Rs. 100.	Rs. 950 (a).	
33	Mr. A. N. Bose, Inspector-in-Charge, Cawnpore.	Rs. 750 . .	Rs. 750 + S. P. Rs. 100(c).	

Statement showing the names of officers drawing a salary of Rs. 500 per month and more ; and the salaries which they were drawing before their appointment in the Supply Department—contd.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Indian Stores Department</i> —contd.				
34	Mr. T. B. Merchant, Offg. Assistant Director of Inspection.	Rs. 750 . .	Rs. 1,050(a)&(b).	
35	Mr. R. Alauddin, Offg. Assistant Controller of Inspection, Lahore.	Rs. 750 . .	Rs. 950(a).	
36	R. S. K. V. Appayya, Offg. Controller of Purchase, Lahore.	Rs. 740 . .	Rs. 740.	
37	Mr. K. T. Pillai, Offg. Purchase Officer, Calcutta.	Rs. 650 plus conveyance allowance of Rs. 75 p. m. while employed in a private firm.	Rs. 750.	
38	Mr. A. R. Palit, Assistant Director of Purchase, Calcutta.	Rs. 740 . .	Rs. 775 (b).	
39	Mr. Z. A. Khan, Assistant Controller of Purchase, Calcutta.	Rs. 1,200 . .	Rs. 550.	
40	Mr. A. R. Sarin, Offg. Purchase Officer, New Delhi.	Rs. 610 . .	Rs. 725(a).	
41	Mr. W. K. Chick, Assistant Controller of Administration, Calcutta.	Rs. 675 . .	Rs. 710 (b).	
42	Mr. R. K. Khosla, Assistant Engineer (Inspection), Calcutta.	Rs. 750 . .	Rs. 750.	
43	Mr. M. N. Mukerjee, Assistant Engineer (Inspection), Calcutta.	Rs. 750 . .	Rs. 750.	
44	Mr. H. K. Banerji, Assistant Engineer (Inspection), Calcutta.	Rs. 750 . .	Rs. 750.	
45	Mr. K. I. N. Iyengar, Assistant Engineer (Inspection), Calcutta.	Rs. 750 . .	Rs. 750.	
46	Mr. J. E. Wallace, Assistant Engineer (Inspection), Calcutta.	Rs. 750 . .	Rs. 750.	
47	Mr. S. C. Banerjee, Assistant Engineer (Inspection), Calcutta.	Rs. 650 . .	Rs. 700 (b).	

Statement showing the names of officers drawing a salary of Rs. 500 per month and more and the salaries which they were drawing before their appointment in the Supply Department—contd.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Indian Stores Department—contd.</i>				
48	Mr. F. N. Taylor, Assistant Engineer (Inspection), Calcutta.	Rs. 530 . . .	Rs. 610 (b).	
49	Mr. M. A. Rahman, Assistant Engineer (Inspection), Calcutta.	Rs. 550 . . .	Rs. 600(b).	
50	Mr. N. Chatterjee, Assistant Engineer (Inspection), Calcutta.	Rs. 600 . . .	Rs. 600.	
51	Mr. M. N. Samanta, Offg. Assistant Engineer (Inspection), Calcutta.	Rs. 500 . . .	Rs. 500.	
52	Mr. K. B. Mirza, Assistant Engineer (Inspection), Calcutta.	Rs. 260 . . .	Rs. 500 (a).	
53	Mr. J. D. Aggarwal, Assistant Engineer (Inspection), Calcutta.	Rs. 360 . . .	Rs. 500 (a).	
54	Mr. J. B. Mukerjee, Assistant Engineer (Inspection), Calcutta.	Rs. 250 . . .	Rs. 500 (a).	
55	Mr. A. K. Mojumdar, Assistant Engineer (Inspection), Calcutta.	Rs. 320 . . .	Rs. 500(a).	
56	Mr. R. T. Ramachandra, Offg. Assistant Inspecting Officer, Calcutta.	Rs. 400 . . .	Rs. 500(a).	
57	Mr. B. V. Raman, Offg. Assistant Inspecting Officer, Calcutta.	Rs. 300 . . .	Rs. 500 (a).	
58	Mr. K. K. Nathani, Assistant Engineer (Inspection), Bombay.	Rs. 750 . . .	Rs. 750.	
59	Mr. M. Samson, Assistant Engineer (Inspection), Bombay.	Rs. 550 . . .	Rs. 580 (b).	
60	Mr. Y. S. Mirza, Offg. Inspecting Officer, Bombay.	Rs. 600 . . .	Rs. 800 (b)&(a).	
61	Mr. M. A. Khan, Offg. Assistant Inspecting Officer, Bombay.	Rs. 335 . . .	Rs. 500 (a).	
62	Mr. Sagar Chand, Offg. Assistant Inspecting Officer, Bombay.	Rs. 500 . . .	Rs. 500.	

Statement showing the names of officers drawing a salary of Rs. 500 per month and more ; and the salaries which they were drawing before their appointment in the Supply Department—concl'd.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Indian Stores Department—contd.</i>				
63	Mr. K. N. Sharma, Assistant Engineer (Inspection), Karachi.	Rs. 750 . . .	Rs. 750.	
64	Mr. M. Nizamuddin Ahmed, Assistant Engineer (Inspection), Lahore.	Rs. 750 . . .	Rs. 750.	
65	Mr. V. Srirangasayi, Offg. Inspecting Officer, Madras.	Rs. 600 . . .	Rs. 800(b)&(a).	
66	Mr. K. Ray, Assistant Engineer (Inspection), Tatanagar.	Rs. 780 . . .	Rs. 810 (b).	
67	Mr. L. M. Ghosh, Assistant Engineer (Inspection), Tata-nagar.	Rs. 500 . . .	Rs. 550 (b).	
68	Mr. Musi Reza Kazimi, Offg. Purchase Officer, New Delhi.	Rs. 500 . . .	Rs. 600 (a).	
69	Mr. Hafiz Ahmed, Officer on Special Duty (Claims).	Rs. 450 . . .	Rs. 600 (a).	
70	R. S. N. M. Sundram, Offg. Purchase Officer, Bombay.	Rs. 750 . . .	Rs. 1,000 (a).	
71	Mr. F. A. F. Jesudian, Offg. Assistant Purchase Officer, New Delhi.	Rs. 250+L. A. Rs. 125.	Rs. 500 (a).	
72	Mr. S. K. Mitter, Offg. Assistant Inspecting Officer, Calcutta.	Rs. 270 . . .	Rs. 500 (a).	
73	Mr. S. D. Bhatia, Offg. Purchase Officer, Calcutta.	Rs. 600 (Approximate).	Rs. 600.	

The Staff employed at the Government Test House and Research Board at Calcutta has not been included in the above statement :—

- (a) Increase in pay is due to promotion.
- (b) Increase in pay is due to annual increments.
- (c) Increase in pay is due to appointment to posts carrying special pay.

Statement showing the names of officers drawing a salary of Rs. 500 per month and more; and the salaries which they were drawing before their appointment in the Supply Department—contd.

Serial No.	Names and designations.	Salaries they were drawing just before their appointment in the Supply Department.	Present salaries.	Remarks.
1	2	3	4	5
<i>Mica Organizations.</i>				
1	Mr. J. Podger, Mica Inspector.	Not known	Rs. 1,500.	
2	Mr. W. J. U. Turnbull, Mica Examiner.	Not known	Rs. 500.	
3	R. S. B. C. Mukherji, Additional Mica Inspector.	Grade pay Rs. 500	Rs. 800.	
<i>Controllers of Supplies.</i>				
1	Lieut.-Col. J. R. Marriott, Controller of Supplies, Bengal, Calcutta.	Rs. 1,530	Rs. 2,150.	
2	Mr. G. E. Bennet, Controller of Supplies, Bombay.	Rs. 3,000 on retirement.	Rs. 1,950.	
3	Mr. E. M. Souter, Controller of Supplies, United Provinces, Cawnpore.	Rs. 2,500	Rs. 2,500.	
4	Mr. M. A. Sreenivasan, Controller of Supplies, Madras.	Rs. 1,300	Rs. 1,600.	
5	Ch. Bashir Ahmad, Controller of Supplies, Punjab, Lahore.	Rs. 540	Rs. 1,000.	
6	Mr. S. C. Latif, Controller of Supplies, Sind, Karachi.	Rs. 1,150	Rs. 1,150 in the scale of Rs. 1,000-50-1,200+S. P. Rs. 250.	
7	Mr. E. C. Forbes, Deputy Adviser to Government, Woollen Industry, Cawnpore.	..	Rs. 2,000.	
8	Mr. J. A. Stuart Williams, Assistant to the Adviser on Engineering Supplies, Calcutta.	Rs. 1,000	Rs. 1,200.	
9	Mr. P. A. Davies, Personal Assistant to the Controller of Supplies, Bombay.	Rs. 1,350	Rs. 500.	

BEVIN TRAINING SCHEME.

7. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: Will Government state their plan to send candidates for technical training in England under the Bevin Training Scheme and what is the quota allotted to each Province? What financial or other help the candidates will receive during the course of their training?

THE HONOURABLE MR. H. C. PRIOR: A copy of the Bevin Training Scheme is placed on the table. Paragraph 3 of the Scheme gives particulars of the terms admissible to trainees. In addition to these, it has since been decided that the Central Government should pay the employer's contribution in the case of trainees who are subscribers to a contributory provident fund. The quotas allotted to the various provinces for each of the first two batches of trainees are as follows:—

Madras	9
Bengal and Assam	9
Bombay	9
United Provinces	8
Punjab, N. W. F. P. and Sind	6
Bihar and Orissa	5
Central Provinces and Berar	4
	50

GOVERNMENT OF INDIA.

DEPARTMENT OF LABOUR.

BEVIN TRAINING SCHEME.

1. *Scheme.*—It is proposed to send batches of Indian workmen to the United Kingdom to undergo courses of training extending to six months in engineering occupations such as fitting and machine operating. The object of the scheme is to accelerate munitions production in India and at the same time inculcate in the men an appreciation of British methods of industrial co-operation between employers and workers and the value of sound trade union principles. Training will be given partly at training centres and partly under selected employers. For the first month the trainees will be accommodated in a hostel run on English lines under a carefully selected manager after which they will be lodged with selected British families. For the first three months, the trainees will work at special training centres where they will receive elementary training and instruction in English and will have time to become acclimatized. They will then be placed in groups with selected employers in factories where they will be trained side by side with British workmen. During the training period each trainee will receive the cost of his keep and accommodation plus an allowance as pocket money at the rates allowed to British trainees. Trainees will not be permitted to take their families with them. Separation allowance will be paid to married men.

2. *Numbers to be trained.*—It has been decided that the first batch of candidates should consist of 50 and that it should sail from this country by the middle of January. A second batch of 50 will then be selected and if all goes well, it will sail in March. The despatch of subsequent batches will depend on the progress of the trainees already in England.

3. *Terms, allowances, etc.*—Each trainee will be provided with:—

- (1) an outfit in India consisting of one winter overcoat, one jersey, one balaclava helmet, one pair of strong boots and two woollen blankets;
- (2) inter class* railway ticket plus a daily allowance of Re. 1 from place of residence to port of embarkation and from port of disembarkation to destination, on both outward and return journeys.

* Third class in England.

- (3) special sea passage with English food to and from the United Kingdom ;
- (4) a subsistence allowance of Rs. 20 per month from date of leaving present place of residence until date of arrival at destination and a similar allowance on the return journey ;
- (5) an allowance sufficient to cover the cost of board and accommodation while under training in the United Kingdom *plus* eight shillings a week (about Rs. 24 per month) if over 20 years of age and six shillings per week (about Rs. 18 per month) if under 20 years of age, as pocket money ; and
- (6) an allowance in the United Kingdom for the purchase of suitable clothing.

In addition to these allowances, the families of married men will each receive an allowance of Rs. 35 per month payable in India. Selected candidates will be required to state whether they are married and if so to whom they wish the separation allowance to be paid.

4. *Qualifications.*—Candidates will be chosen from the whole industrial field and may be married or single. They should be young but not below the age of 18, healthy, intelligent, able to read, write and do simple calculations, and possess manual dexterity and some knowledge of English. They should, as a rule, have had experience of factory work and have given proof of intelligence and adaptability.

5. *Selections.*—The selection of candidates will be made by National Service Labour Tribunals in consultation with the Regional Inspectors of Technical Training and large industrial employers including Railway Administrations. Candidates should be taken from the working classes preferably from among men of the engineering trades* drawing wages of Rs. 40 to 60 per month. A few candidates from technical institutions may be included but their numbers should not exceed 10 per cent. of the whole. Selections should be confined to persons who are likely to be adaptable to conditions in England and especially those who are prepared to mix and are least likely to raise difficulties over food, etc. It should be explained to all candidates that accommodation and food will be in the English style and not on a caste or communal basis. Before final selection, candidates should be medically examined and X-rayed for tuberculosis under arrangements to be made by Tribunals under rule 12 of the National Service (Technical Personnel) Rules read with section 5 (7) of the National Service (Technical Personnel) Ordinance. After selection each candidate will be asked to sign an agreement in the annexed form.

6. *Passage arrangements.*—When the Tribunals have made their selections, they will furnish the Labour Department with nominal rolls of the candidates selected and arrange with the Provincial Government for the grant of passports. The Government of India will make the necessary arrangements for passages and issue instructions as to when and where the trainees should report. During the voyage, the trainees will be placed in charge of an officer to be selected by the Labour Department who will instruct them in English and endeavour to give them some idea of the English style of living. Before the trainees are despatched to the port of embarkation, the Tribunals will supply them with the outfit referred to in paragraph 3 (1), inter class railway ticket to the port of embarkation, daily allowance at the rate of Re. 1 per day for each day or part of a day of the journey to that port and an extract of the nominal roll referred to above. On arrival on the steamer, each trainee will be given an advance of two months' subsistence allowance.

7. *Employment of trainees on return to India.*—On their return to India, the trainees will be at the disposal of the National Service Labour Tribunals concerned which will decide how best their services can be utilised. No guarantee of employment is given.

8. *Expenditure.*—All expenditure incurred on the scheme in India will be borne by the Government of India and all payments in India except those on account of passages and subsistence allowance will be made through the National Service Labour Tribunals concerned. Expenditure incurred in the United Kingdom will be met by His Majesty's Government.

Form of agreement.

I agree to undergo training in the United Kingdom in accordance with the terms of the "Bevin Training Scheme" which have been read over and explained to me and to report to the Chairman of the..... National Service Labour Tribunal on my return to India.

Dated the of 194 .. Signed.....

*Fitters, turners, millers and grinders.

MR. ALEXANDER SHAW.

8. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: (a) Has Mr. Alexander Shaw been brought out from England and has he been appointed film expert by the Government of India "to assist in the shooting of documentary films in India" ?

(b) What is the exact nature of the work which he has done so far ; what are his special qualifications for the post ; and what is his pay and other emoluments ?

THE HONOURABLE MR. E. CONRAN-SMITH: (a) Yes.

(b) Mr. Shaw is a leading English producer of documentary films who has done important work for the General Post Office, the Empire Marketing Board, the Colonial Office and since the outbreak of the war for the Ministry of Information, London. He has been engaged by the Government of India with the approval of the Film Advisory Board to assist the Board in the production of documentary films designed not only for the Indian, but also for the British, Dominion and American markets. He has been appointed under the Director General of Information as Officer on Special Duty in connection with film production for one year from the 22nd October, 1940 on a salary of £1,000 per annum which is met by a contribution from His Majesty's Government *plus* an allowance of Rs. 700 per mensem while employed in India.

INDIANS IN KASHGAR.

9. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: (a) Will Government make a statement regarding the general situation in Kashgar, with special reference to Indian interests and the boycott of Indian traders ?

(b) Will Government give the approximate number of Indians in Kashgar ; and also state what grievances, if any, political or economic, they have to suffer ; and what steps have been taken for their removal ; and with what result ?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: Since the latter half of 1937 British Indian subjects and Indian trade in Sinkiang have been subjected to a boycott. From time to time the local people have been prevented from having any dealings with British Indian subjects who have on occasion found difficulty in obtaining the bare necessities of life. Their movements have been restricted and facilities for travel throughout the province have been withheld. In order to represent the disabilities under which British Indian subjects in Sinkiang were labouring, and with a view to securing better treatment for them if possible, permission was obtained for His Majesty's Consul General, Kashgar to visit Urumchi in the summer of 1939. There he was received by the head of the Sinkiang Provincial Government and for a time conditions improved.

Early in 1940 however the situation again deteriorated and there have been several instances of Indians being deported on vague charges.

Strong representations have been made and continue to be made not only to the Local Authorities but also to the Chinese Central Government. So far, I regret to say, there has been little result.

A number of British Indians have left Sinkiang during the last two years and there are now only comparatively few in Kashgar. I am unable to say exactly how many, but information has been called for from His Majesty's Consul General.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Are Indians being treated in the manner described under the orders of the Central Government in China ?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : I should be disposed to say myself, Sir, that this was not the case.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Who is responsible for the maltreatment of Indians there ?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : Presumably, the local authorities, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Are the local authorities themselves free in this matter or is any pressure being brought to bear on them by Russian interests ?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : My Honourable friend will appreciate that it is not possible for me to say what influences are at work on the local authorities. All I can say is that legally the local authorities are subject to the Central Government of China to whom representations have been made, are being made and will continue to be made.

LEH TREATY ROAD.

10. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH : (a) Is it a fact that the flourishing trade between India and Central Asia has virtually come to an end with the closing of the Leh Treaty Road without any warning by the Chinese authorities, with the result that Indian traders are put to immense loss and trouble as their goods are lying at Leh ?

(b) Will Government make a statement regarding the situation in this connection, and what steps have been taken by Government to remove the resultant hardship and loss to Indian traders ?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : (a) and (b). The Leh Treaty Road was closed by the Chinese provincial authorities in February, 1938 without warning and consequently goods consigned to Sinkiang which were than in Leh could not be exported to Central Asia. To remove the resultant hardship and loss to traders they were allowed to re-export their goods to Afghanistan in bond up to the end of December, 1940. Traders took full advantage of this concession, though a few of them preferred to dispose of their goods either in Kashmir State territory or in British India. The few traders who still have small consignments in Leh propose to dispose of them locally or to retain a certain quantity for re-export to Central Asia if and when the Treaty Road reopens.

NORTH WEST FRONTIER.

11. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH : Will Government make a statement regarding the situation on the North West Frontier, with special reference to the inter-tribal warfare on the Bajaur border, in course of which many persons are reported to have lost their lives and one chieftain, Malik Khanzada, had to surrender ? What steps have been taken to cope with the situation, including the steps taken for the prevention of raids and kidnapping of Indian subjects ?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : The situation throughout the greater part of the North West Frontier is satisfactory, and the tribes have given little trouble. The inter-tribal warfare in Bajaur country, to which the Honourable Member has particularly referred, has had no effect on the peace of the administrative border and is in itself unimportant. It was the result of a private dispute between rival tribal leaders, in which the casualties are believed to have been two killed and two wounded on one side and two killed and five wounded on the other. A settlement is now believed to have been reached between the contending parties.

On the Waziristan border, although there has been some improvement, raiding and kidnapping still continue under the influence of the Faqir of Ipi. The measures taken by Government to control the situation on this border have included the strengthening of the Frontier Constabulary, whose function it is to protect the districts from raiding gangs, and the occupation by civil forces of adjacent tribal areas in which such gangs sought refuge or set up their headquarters. Deterrent action is also taken in all cases of raiding and kidnapping both as a punishment and in order to prevent recurrence of similar incidents in future. Pressure is maintained by means of *barampta* (meaning the arrest of tribesmen or the detention of their property until satisfaction is obtained) and by fine. Every endeavour is also made to prevent the payment of ransom for captives, since such payment acts as an incentive to further outrage.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : To what extent have the recommendations made by the Caroe-Jiwan Lal Kapur Committee been carried out ?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : I should like to have notice of that question, Sir.

SUPERINTENDENTS OF POSTS OFFICES IN ASSAM.

12. THE HONOURABLE MAULVI ALI ASGAR KHAN : (a) Will Government state how many Divisional Postal Superintendents are there in Assam and whether they are native of the province and if so, how many ?

(b) Will Government state whether due consideration is shown to the candidates from the province when appointments are made and whether there is any quota fixed for the province in the cadre of such service. If not, why not ? Do Government propose to fix a quota ?

THE HONOURABLE MR. S. N. ROY : (a) Three ; none of them is a native of Assam.

(b) The service of Superintendents of Posts Offices is an All-India Service of which 50 per cent. of the vacancies are filled by direct recruitment on the results of an open competitive examination held by the Federal Public Service Commission. This recruitment is not made on a provincial quota basis and Government do not propose to fix any such quota. The remaining vacancies are filled by promotion from departmental employees. The best candidates are selected irrespective of the province of their origin.

WAITING ROOMS FOR LADIES ON THE A. B. R.

13. THE HONOURABLE MAULVI ALI ASGAR KHAN : Is there no waiting room accommodation for ladies in most of the stations on the A. B. R. ? Do passengers suffer considerable inconvenience specially

during the rainy season for want of such accommodation? Do Government propose to take necessary steps to remove the public grievance?

THE HONOURABLE MR. L. WILSON: There are 305 stations open to passenger traffic on the A.B.R., and from available information, it appears that at 135 stations there is waiting room accommodation for ladies travelling in the intermediate and third classes and in addition there is accommodation at five stations for ladies travelling in the intermediate class.

At 51 stations there are upper class waiting rooms, but information is not available as to the number of these at which there is separate accommodation for ladies.

The accommodation provided would appear to be on a reasonably adequate scale and Government have received no complaints.

NORTH EAST FRONTIER.

14. THE HONOURABLE MAULVI ALI ASGAR KHAN: Is there any Battalion of the Government of India to guard the North Eastern Frontier and whether the Assam Rifles is such a Battalion? Does the Province of Assam pay a fair portion of the cost of maintenance of the Assam Rifles? If so, do Government propose to exempt the Province of Assam from bearing such a cost for the Battalion?

THE HONOURABLE SIR GIRJA SHANKAR BAIJAI: As regards the first part of the question, it is not in the public interest to disclose the detailed arrangements for the defence of any part of India's frontier.

As for the latter part of the question, the Assam Government's contribution towards the maintenance of the Assam Rifles is 12/58ths of the total cost. The Government of India do not propose to make any alteration in the incidence as between central and provincial funds.

ADDRESS OF THE PRESIDENT AND RESOLUTIONS PASSED BY THE ALLAHABAD CANTONMENTS RESIDENTS CONFERENCE.

15. THE HONOURABLE MR. P. N. SAPRU: (a) Has Government received copies of—

(i) the address of the President of the Allahabad Cantonment Residents First Conference, held on 5th January, 1941; and

(ii) the resolutions passed at that Conference?

(b) If so, will Government state what action it proposes to take on the matters mentioned in the address and resolutions?

THE HONOURABLE MR. A. DEC. WILLIAMS: Sir, His Excellency the Defence Member is unavoidably away on tour. He had expressed a wish that as many as possible of his questions should await his return so that he could

answer them himself. As, however, these questions have been placed on the printed list, I am here to answer them on his behalf.

THE HONOURABLE THE PRESIDENT: He has also written to me giving reasons for his absence.

THE HONOURABLE MR. A. DEC. WILLIAMS: The answer to question No. 15 is—

(a) (i) and (ii). Yes.

(b) The matter is under consideration and no decision has yet been taken.

ENHANCEMENT OF HOUSE TAX IN THE ALLAHABAD CANTONMENT.

16. THE HONOURABLE MR. P. N. SAPRU: (a) Has Government received the grounds of objections against the enhancement of house tax and the newly proposed professional tax by the Allahabad Cantonment?

(b) Is Government aware that these taxes are hard upon the residents of the Cantonment and there is dissatisfaction amongst them?

(c) Is Government also aware that due to these taxes the position of the residents of the Cantonment has become worse than that of the residents of the adjoining Municipality of Allahabad and do Government propose to examine the position?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): (a), (b) and (c). Copies of some objections have been received. As, however, the proposals regarding the taxation have not yet been received, the latter parts of the question do not at present arise.

SIR ARTHUR PARSONS.

17. THE HONOURABLE MR. P. N. SAPRU: Will Government state—

(a) Whether Sir Arthur Parsons was deputed to visit the various provincial and other important centres on behalf of the Government of India?

(b) The nature and object of his visit? and

(c) Whether his consultations were confined to officials only or included public men also?

THE HONOURABLE MR. E. CONRAN-SMITH: (a) Yes.

(b) To give information about, and to receive criticism of, the war measures of Government in a way which would enable both him and his audience to speak informally and freely.

(c) I am not sure how the Honourable Member would define "public men" but Sir Arthur met both officials and non-officials.

I may add that Sir Arthur was on leave at the time, that he remained on leave and that his mission cost Government nothing except the expenses of his travelling and the pay of a stenographer and two peons.

ELIGIBILITY OF INDIANS FOR THE ROYAL AIR FORCE.

18. THE HONOURABLE MR. P. N. SAPRU: Will Government state whether Indians are eligible for appointment to the Royal Air Force in India? If not, why not?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): No, because it is more appropriate for Indians in India to enter the Indian Air Force, just as they enter the Indian Army and not the British Service.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What are the reasons which led His Majesty's Government to decide in favour of the admission of Indians to the R. A. F. in England and against their admission to the R. A. F. in India?

THE HONOURABLE MR. A. DEC. WILLIAMS: I cannot attempt to give the reasons which actuated His Majesty's Government, but it must be apparent that as there is no Indian Air Force in England Indians, if they were to be recruited to any Air Force in England, had to be recruited to the Royal Air Force.

THE HONOURABLE MR. P. N. SAPRU: Sir, who pays for the Royal Air Force stationed in India?

THE HONOURABLE THE PRESIDENT: The Honourable Member has refused to answer that question.

THE HONOURABLE MR. P. N. SAPRU: The Honourable Mr. Williams has not refused. He has simply remained silent.

THE HONOURABLE MR. HOSSAIM IMAM: May I put it in another way? Is it a fact that the Indian exchequer pays for the cost of the R. A. F. in India?

THE HONOURABLE MR. A. DEC. WILLIAMS: I am afraid, Sir, I am not prepared to go into a detailed statement of military finance in connection with this question.

THE HONOURABLE THE PRESIDENT: You can ask for notice of this question.

MEMBERS OF THE CENTRAL LEGISLATURE IMPRISONED OR DETAINED SINCE THE OUTBREAK OF WAR.

19. THE HONOURABLE MR. P. N. SAPRU: Will Government state—

(a) The number of members of the Central Legislature who have been detained or imprisoned since the war began?

(b) In the case of those imprisoned the sentences passed on them?

(c) The names of those imprisoned or detained by Government?

(d) The special facilities, if any, provided for them as prisoners or detenus? and

(e) The names of newspapers, if any, allowed for them?

THE HONOURABLE MR. E. CONRAN-SMITH: (a) to (c). I lay a statement on the table giving such information as is available.

(d) and (e). These are matters for the Provincial Governments concerned and depend on the classification of the prisoners.

Statement of Members of the Central Legislature who have been imprisoned or detained.

Name.

Sentence.

LEGISLATIVE ASSEMBLY.

Madras.

1. Mr. T. S. A. Chettiyar	6 months rigorous imprisonment.
2. Mrs. Radhabai Subbarayan	6 months simple imprisonment.
3. Mr. M. Anantasayanam Ayyangar	9 months simple imprisonment.
4. Mr. K. Santanam	12 months rigorous imprisonment.
5. Mr. S. Satyamurthi	9 months simple imprisonment.
6. Mr. M. Thirumala Rao	18 months rigorous imprisonment and Rs. 200 fine or in default 6 months rigorous imprisonment.
7. Prof. N. G. Ranga	(1) On 2nd April, 1940 12 months rigorous imprisonment and Rs. 500 fine or in default 6 months rigorous imprisonment and (2) on 12th August, 1940 4 months simple imprisonment to run concurrently with the first sentence. (3) Re-arrested under the Defence of India Rules on the expiry of his sentence.

Bombay.

8. Mr. N. V. Gadgil	18 months simple imprisonment.
9. Mr. K. M. Jedhe	18 months rigorous imprisonment.
10. Mr. Bullabhai J. Desai	Detained under rule 26 of the Defence of India Rules.

Bengal.

11. Mr. Subhas Chandra Bose	Detained under rule 26 of the Defence of India Rule (subsequently released).
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United Provinces.

12. Mr. Mohanlal Saxena	12 months simple imprisonment.
13. Mr. Pyarelal Sharma (since deceased)	12 months simple imprisonment.
14. Mr. Sri Prakash	12 months simple imprisonment.
15. Mr. Bhadri Dutt Pande	3 months simple imprisonment.
16. Sardar Jogendra Singh	15 months rigorous imprisonment and Rs. 100 fine or in default 6 months rigorous imprisonment.
17. Maulvi Abdul Majid	18 months simple imprisonment.

Punjab.

18. Raizada Hansraj	6 months simple imprisonment.
19. Sardar Mangal Singh	12 months rigorous imprisonment.
20. Lala Sham Lal	9 months simple imprisonment.

Bihar.

21. Mr. Satyanarayan Sinha	12 months rigorous imprisonment.
22. Mr. Gauri Shankar Singh	12 months rigorous imprisonment.

Central Provinces and Berar.

23. Seth Govind Das	12 months rigorous imprisonment and Rs. 500 fine or in default 3 months rigorous imprisonment.
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Statement of Members of the Central Legislature who have been imprisoned or detained—
contd.

Name.	Sentence.
LEGISLATIVE ASSEMBLY.	
Central Provinces and Berar—contd.	
24. Seth Sheo Dass Daga	9 months simple imprisonment and Rs. 200 fine or in default 2 months simple imprisonment.
25. Pandit Shambhudayal Mishra Delhi.	6 months rigorous imprisonment.
26. Mr. Asaf Ali	12 months rigorous imprisonment.
COUNCIL OF STATE.	
Central Provinces and Berar.	
27. The Honourable Mr. Brijlal Biyani	12 months rigorous imprisonment.

EMERGENCY COMMISSIONS.

20. THE HONOURABLE MR. P. N. SAPRU: Will Government state—
(a) The names of districts and areas where selection is made for emergency commissions?

(b) The total number of candidates so selected? and

(c) The number of Anglo-Indians and Domiciled Europeans who have received emergency commissions in the Land and Air Forces of the Indian Army?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): (a) Preliminary selection is made at the headquarters of Military Districts and Brigade Areas, a list of which is laid on the table.

(b) The total number of candidates so selected for emergency commissions up to the present is 2,610.

(c) The figures for Anglo-Indians and Domiciled Europeans who were selected by the first two Central Interview Boards and who have subsequently received emergency commissions in the Indian Army are not available; but four Anglo-Indians were selected in July, 1940 and have received commissions. None of those selected by subsequent Boards who are 71 in number have so far been commissioned. No Anglo-Indian or Domiciled European has received a commission in the Indian Air Force.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: May I know the total number of Indians recruited for the I. M. S.?

THE HONOURABLE MR. A. DEC. WILLIAMS: In addition to the numbers which I have given, 631 Indians and eight Europeans have been selected for emergency commissions in the I.M.S.

THE HONOURABLE MR. N. K. DAS: May I know, Sir, how many Indians have been given emergency commissions and to what parts of India they belong?

THE HONOURABLE MR. A. DEC. WILLIAMS: As regards the first half of the question, the number of Indians is 1,076. The second half of the question would necessitate a very long answer.

Statement referred to in reply to part (a) of question No. 20, showing military districts and areas where selection is made for emergency commissions.

Peshawar District.	Presidency and Assam District.
Kohat District.	Western (Independent) District.
Waziristan District.	Bombay District.
Rawalpindi District.	Deccan District.
Lahore District.	Madras District.
Meerut District.	Delhi Area.
Lucknow District.	Sind Area.
	Jubbulpore (Independent) Area.

MILITARY DAIRIES.

21. THE HONOURABLE MR. SHANTIDAS ASKURAN: Will Government state—

(a) At how many places are there military dairies in India?

(b) How much of their output is used for the Military Department and how much is sold to the public?

(c) Whether the prices at which the products of the military dairies are sold to the public are lower than the prices at which dairies run by private enterprise can compete?

(d) Whether any complaint about unfair competition was received by Government directly or through the Director of Dairy Research?

(e) What steps do Government propose to take with regard to the avoiding and ending the uneconomic competition with *bona fide* private enterprise in the territories served by the military dairies?

(f) Whether Government have accepted the principle that State enterprise set up for purposes of the State should not compete with private enterprise in the matter of dairy products?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): (a) There are 56 military dairies and depots in India.

(b) Separate statistics of sales made to persons not in Defence Department employ are not maintained, but they are not considerable as the surplus only is disposed of to the public after all military requirements have been met. Certain jails and civil hospitals are supplied under the following conditions:—

(1) Competitive tenders are not submitted by military dairy farms.

(2) The authorities concerned must make a specific request and must state in writing that all efforts to obtain a satisfactory supply from other sources have failed.

(c) No. The prices of military dairy farms are usually higher than local prices.

(d) Yes.

(e) and (f). Yes. Government have accepted the principle that State enterprise should interfere as little as possible with private enterprise. The military dairy farms have standing orders not to advertise or push the sales of these surplus products in any way. Instructions to this effect will be repeated and steps will be taken to ensure that they are strictly followed.

GENERAL DISCUSSION OF THE RAILWAY BUDGET FOR 1941-42.

THE HONOURABLE THE PRESIDENT: The discussion will now proceed on the Budget, Part I. I may mention that I do not propose to fix any time limit and I will leave the duration of speeches to the good sense and judgment of Honourable Members. I may also point out that Sir Andrew Clow is busy elsewhere but he will be here about 12 noon and will generally answer the debate later in the day.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muham-madan) : Mr. President, I wish to make a statement on behalf of my Party with your permission as my Party does not wish to participate in the debate.

THE HONOURABLE THE PRESIDENT: Yes.

THE HONOURABLE MR. HOSSAIN IMAM: The published report of the Railway Member's closing speech in the Legislative Assembly shows that the Muslim League Party's demand has been completely misunderstood and our case has been deliberately distorted. I do not wish to discuss even this narrow issue beyond clarifying our position by mentioning a few of our demands and repudiating one of the false charges against us. The individual cases of hardship, miscarriage of justice and victimization are many but we leave them aside for the present. Firstly, our grievance is that since the fixation of a communal ratio for direct recruitment to the superior posts Muslims have not received even three-fourths of that quota. The superior posts are all of one class but our quota is fixed in each branch separately and there is no interchange, as is done in the case of Anglo-Indian recruitment. Secondly, unduly large numbers of posts are filled by promotion on communal grounds to keep out Muslims. In all civil services there is a fixed percentage between 20 and 33 for promotion. There is no fixed proportion on the railways for filling up by promotion. Thirdly, we do not want 25 per cent. share in the promotions. This is a complete mis-statement. What we demand is 25 per cent. in the total recruitment, no matter whether you give it by promotion or by direct recruitment. Fourthly—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: May I interrupt the Honourable Member and ask him whether he is talking of the senior posts to which men are appointed by promotion or to the lowest posts to which they are directly recruited?

THE HONOURABLE MR. HOSSAIN IMAM: I was referring to the superior appointments made under the Public Service Commission. Fourthly, we want direct recruitment in the intermediate grades like the lower gazetted staff and have been asking for it since 1931, as will be apparent if the Honourable Member will look up the memorandum which was prepared by his Department in February, 1931.

I wish to assure my friends on the right that this is not a Hindu-Muslim question. It is the eternal triangle. The Europeans and Anglo-Indians have secured 14 posts in the lower gazetted staff by promotion against 13 given to the Hindus, one to the Muslims and one to the other minorities. The Honourable Member was about to prove that Euclid was wrong when he said that two sides

of a triangle are greater than the third. He has just kept to the truth of that by one. There are 15 children of the soil against 14 outsiders who have been given these posts by promotion. And in the case of superior posts Dr. Kunzru will find that two Europeans have been promoted against one Hindu. It is not only a complaint of the Muslims against the Hindus, as has been miscoloured. The Railway Member is a profoundly religious man of deep convictions

THE HONOURABLE MR. P. N. SAPRU: Is the Honourable Member making a statement or a speech?

THE HONOURABLE SIR DAVID DEVADOSS: How is this relevant to the present question?

THE HONOURABLE MR. HOSSAIN IMAM: I can show how. He has been biased against us by those who surround him. His belief and trust in the impartiality of his officers is so great that he thinks none of them have the human failing of communalism. You will see, Sir, that in these circumstances no useful purpose will be served by our intervention in the discussion of the Railway Budget. The Muslim League Party in this House and in the other place have therefore decided to abstain from participation as a protest against the Government's attitude towards our case.

THE HONOURABLE THE PRESIDENT: I have always understood that for many years the Honourable Member has been a champion of merit and ability alone and now he has taken up this position.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: If it is not really a Hindu-Muslim question, we have jointly to fight the Government in order to promote the appointment of Indians. Why should he leave us alone to make that fight?

THE HONOURABLE MR. HOSSAIN IMAM: Come out with us.

THE HONOURABLE THE PRESIDENT: I cannot allow any further discussion.

(At this stage the Members of the Muslim League Party left the Chamber.)

THE HONOURABLE MR. J. H. S. RICHARDSON (Bengal Chamber of Commerce): Sir, the Budget, presented in this House by the Honourable the Chief Commissioner for Railways reveals a position that all of us must regard as most satisfactory. There can be few who when the Railway Budget was presented a year ago expected so satisfactory an outcome of the year's working. Great and startling as have been the changes in the war situation during the past year these have fortunately not been reflected in the railway revenues in this country. Not only in this House, but in the country generally there will, I feel sure, be widespread satisfaction at the capacity of the railways, more especially at this time, to make so substantial a contribution to central revenues as they are expected to do in the current financial year and in the year upon which we are about to enter.

It is of course true that no inconsiderable proportion of this contribution has come about as a direct result of the increase in fares and freights imposed a year ago but while these increases have been realized in the main from the general taxpayer they represent also, at least to some extent, a contribution recovered from India's customers of whom perhaps the largest at this time is

*Not corrected by the Honourable Member.

[Mr. J. H. S. Richardson.]

His Majesty's Government. There can, I think, be no doubt in the mind of any of us that the increased activity in Indian industry reflected as it is in the improved earnings of the railways is a direct result of the enormous purchases made in this country by His Majesty's Government or their Agents. India as a whole, therefore, has largely benefited as a result of the Empire's war effort; and the increase in fares and freights imposed a year ago is, I believe, a small price to pay having regard to the general improvement in which so many of this country's great industries have shared.

From another aspect also the increased contribution now being made by the railways to central revenues is a matter of the first importance. As Honourable Members of this House are well aware the main heads of the central revenues are limited in number and under one of these heads at least—I refer to Customs—the war has resulted in a serious falling away in revenue. Although in a great struggle such as that in which we are now engaged there is none of us that grudges the increased contribution that all must make to provide funds urgently required for the sinews of war, at the same time, there is obviously a limit beyond which the raising of revenue by means of direct taxation can be considered as a policy that is financially sound. To the extent therefore that the substantial contribution made by the railways relieves the general taxpayer in respect of other heads of taxation, it is welcomed and the Finance Member must, I am sure, count himself fortunate in the good management and also in the good fortune that has enabled the railways to help him so tremendously.

I do not propose to take up the time of the House by a long speech commenting upon the details of the Budget now under discussion. There are, however, one or two points to which I should like to refer. The first is the decision of Government to acquire three important railway systems—one of which has already been taken over—and two others that are about to be taken over. The acquisition of Company-owned railways is a policy already accepted by Government and approved by the Legislature and in giving effect to it at this time Government have taken advantage of the relatively happy financial position in which they are now placed. The purchase of these railways has in fact largely been made possible by the accumulation in London of large sterling balances and will result in a small but nevertheless important reduction in Government's annual remittance liabilities. At the same time I fully share the views expressed by the Railway Member in another place regarding the need for introducing a system containing characteristics more frequently found in private enterprise than in concerns under bureaucratic control without which the acquisition may indeed not only prove unprofitable but may also lose the urge to efficiency to the detriment of the public.

Secondly, Sir, I feel that by their decision to dismantle no fewer than nine unremunerative lines—there is a possibility, too, that more may be dismantled—Government have not only relieved the railways of a burden but have also made an important contribution to the Empire's war effort, more especially in the Near and Middle East.

Thirdly, Sir, I should like to make a brief comment on the provision in the Budget for dearness allowance for workers on lower grades of pay. If the price level is rising that is obviously a case—as the Dearness Allowance Committee say—for improving the wage position of those workers of the poorest classes on low grades of pay upon whom the burden of rise in prices falls most severely which fact no fair-minded man will fail to recognize. All of us would like to see a steady rise in the standard of living among the working classes in India.

It is, however, worse than useless to assume some theoretical basic minimum for wages. Wages and the prices of commodities essential to working class family budgets must clearly go hand in hand. It is equally important for us to bear in mind that to raise unduly wage standards in concerns like the railways that are little if at all exposed to competition is fundamentally dangerous. Those who have studied such matters will, I feel sure, bear me out when I say that in the United Kingdom pressure by certain strongly organized bodies of workers to secure better terms for themselves have during the last 20 years undoubtedly enabled some sections in England largely to benefit at the direct expense of those of their fellow-countrymen engaged in less developed industries. If India is to develop industrially, as we all hope she will, we must guard against similar developments in this country. In the case of railways which serve all classes of industry it is obvious that any undue rise in their scale of pay must operate adversely on employees in other industries which depend for their existence on their ability to pay their way. Thanks to the wise measures adopted by the Government of India and by the Provincial Governments since the outbreak of the war we have not yet seen any serious rise in the prices of essential commodities—essential, that is, to the cost of living and to family budgets. Some rise of course there has been but that rise has by no means extended proportionately over all industries. It is well I think that we should bear this in mind. Take for example the coal industry. The Government are in a position to exercise—and more than once they have not hesitated so to exercise—their full powers to force down coal prices though workers engaged in the coal industry are no less exposed than the railway men themselves to the tendency towards any rise in prices in essential commodities. In so far as therefore the coal industry is contributing—and it is contributing substantially—to the improved revenues of the railways the workers no less than employers in the coal industry are contributing to those favourable financial results from which will have to be met the railway workers' claim to improved wage terms for themselves. The same is no less true of other industries in which railway freight charges enter largely into their cost of production.

What Government's decision on dearness allowance will be I naturally do not know, but I trust they will bear in mind the point that I have raised. It is also no less important that they should remember that merely to increase the pay of certain grades of railway workers is by itself not likely to achieve its purpose unless it is accompanied by stringent control of prices more especially in areas affected. I trust therefore that the Government of India and the Provincial Governments will watch most closely the trend of prices in the bazars principally used by railway workers. This point is perhaps of special importance in great ports and industrial centres such as Bombay and Calcutta, for in centres such as these it is not only railway workers who frequent these bazars. Apart from that it is clear that the port railway workers will reap no benefit at all if on the one hand their rate of pay is increased and on the other hand their cost of living again rises. If close attention is not paid to this important matter any decision now to give dearness allowance on the basis recommended by the Court of Enquiry will inevitably give a strong impetus to the spiral of rising prices which—as I understand it—Government hope to avoid.

Finally, Sir, I would like to say a word about the surcharge on coal. As I understand it, Government claimed last year that even the 20 per cent. surcharge imposed from 1st November to 31st March was less than the increase then imposed on other commodities since this 20 per cent. was in fact only 6½ per cent. of the existing scale of rates for coal whereas the enhancement on most commodities was two annas in the rupee or 12½ per cent. Secondly,

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Government claimed that the reduction of the surcharge from 20 per cent. to 15 per cent. for the months from April to October inclusive was preferential treatment to coal mainly because Government was anxious to avoid imposing anything that would be regarded as an appreciable burden on industry. Thirdly—and this I think was the principal reason—that Government desired to encourage those manufacturers who could do so, to secure coal in the season when the wagon position was normally easier and so reduce the difficulties in the winter months.

What is really boiled down to was that to help Government in its difficulties over shortage of wagons, consumers were penalized to the extent of an extra three annas per ton on all coal freighted between November and March. The Railway Member said last year that Government estimated their proposals meant an average increase in coal freights of less than two annas a ton until November and about 5 annas for the remaining months.

Sir, I am aware that in 1935 there was a surcharge of 15 per cent. on coal freights without a maximum and in that year, to help the industry, Government gave a concession and reduced the surcharge from 15 per cent. to 12½ per cent. and imposed a maximum of Re. 1 per ton. It can be claimed therefore that the increase from 1st March, 1940 and the removal of the maximum merely re-enacted the 1935 position and, as I have said, Government state that the extra 5 per cent. from 1st November to 31st March was less than increases imposed on other rates.

Sir, I maintain that you cannot compare coal with other commodities and that Government admit this by their expressed anxiousness to avoid imposing any appreciable burden on industry. Despite this, however, a burden has been placed by the penalizing 5 per cent. surcharge on all those manufacturers who for financial and other reasons cannot take their coal requirements in the off-season. Some have no storage accommodation, some have modern plants constructed to take into use coal direct from wagons as they are railed in and stocking involves extra-handling charges. Some object to coal lying out in the rains for a long period.

Despite these difficulties, however, it appears from the abnormal demand for coal just previous to the months carrying the extra 5 per cent. surcharge, that many consumers did in fact take extra stocks and consequently to this extent, the wagon shortage has been relieved. But what has been the effect on the coal industry and what is the burden it has to bear? Briefly it is this—Labour happens to be plentiful in the wagon shortage season but the result of the surcharge at the moment is that partly due to consumers having taken in stocks, despatches have shown a serious falling off, and when I visited the coalfields at the beginning of this month, I saw very large accumulations of raisings necessitating the reduction of outputs at a time when labour is plentiful. Thus it looks as if coal-owners will have the difficult task of trying to raise a maximum output when labour is short and decrease in the very months when an increase is practical.

It was mentioned the other day by the Railway Member in another place that the coal industry had had extraordinarily good exports and was not in a languishing condition. I do not deny that that statement correctly reflects the position if applied to the period covered by recent reports and accounts of companies. But the position today is far from rosy since shipments in the Far East have fallen off almost entirely and the effect on labour of having severely to restrict raisings is one which both Government and industry cannot ignore.

Sir, whilst I appreciate the difficulties of the wagon position and the consequent urge in the present circumstances for Government to try some expedient to encourage the principle of building up coal stocks in the off-season, at the same time, I have endeavoured to explain and emphasize the difficulties on the other side of the picture. The position and importance of the coal industry *vis-a-vis* other industries cannot be disregarded and I hope Government will bear in mind the points I have made.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I congratulate the Honourable the Railway Member and the Honourable the Chief Commissioner for Railways on their good luck in getting such an unprecedented surplus in railway income ever since railway finance was separated from general finance. But I am sorry I cannot congratulate them on the decision that the Government have arrived at, to give absolutely no relief to the taxpayer and to the railway travelling public or to the trade. Sir, under estimation of income has now become a matter of tradition for the Railway Budget. Every year we find that the actuals exceed the estimated amount. Railways last year needed Rs. 5½ crores to meet their requirements. This year they have found that the actual working has produced a very big surplus of Rs. 6½ crores above their estimate as this tradition has been maintained. We find that, for reasons which we cannot understand, the Government has come to the conclusion that no relief to the taxpayer is necessary on the event of this unprecedented surplus.

Sir, from the figures that we have before us I find that the increase in earnings from passenger fares is very considerable. Notwithstanding that fact, Sir, the Railway Department has not seen its way to increase amenities for travelling public. What have they done, Sir? I feel very disappointed at the decision of the Railway Department to do practically nothing in the way of improving or increasing their amenities. On page 24 of the Explanatory Memorandum, I find that to the N.W.R. only Rs. 19,000 has been given for such amenities. What a paltry sum. When the railways get such a heavy surplus, even then they are not to bear the burden of increased amenities for the travelling public. I think that is most unjust and uncalled for—not to increase a single raised platform. I have on several occasions drawn attention to the fact that raised platforms are a necessity. Ladies in an *enciente* condition have to alight from carriages and in some cases there have been miscarriages. For the N.W.R. not even one pie is allotted for platforms. Nor have they provided anything for the improvement of sanitary arrangements. I should like the Chief Commissioner for Railways to kindly explain why such indifference has been shown by the Railway Department towards providing amenities for the poor passengers who have contributed the large share of this unprecedented surplus. That, Sir, is against all principles of working commercial lines. On the E.I.R. which subscribes most of the revenues of the railways, a paltry sum of Rs. 1,000 has been earmarked for amenities. Can you ever call that justice? Never, Sir. Except on the B.B. and C.I.R., where Rs. 1,58,000 has been provided for amenities, on all other railways the amount provided for amenities is practically nil. I would like the Honourable the Chief Commissioner to explain why so much indifference has been shown in connection with amenities for passengers.

I now come to the question of the manufacture of railway locomotive engines. I deplore the decision of the Government that for various reasons they cannot start the manufacture of locomotives in India on a reasonable scale. I find they have given a small order to the Ajmer workshops for a

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small number of locomotives. That is simply eyewash. When Government are spending huge sums of money in time of war, they do not find even this time suitable for establishing a locomotive workshop forthwith.

THE HONOURABLE THE PRESIDENT: There is the difficulty of getting materials from England.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I admit, Sir, that there is difficulty of getting materials from England. But my information is that such materials can easily be procured from America. I have some personal knowledge how Government have been able to import from America certain heavy machinery for the manufacture of munitions. Where there is a will there is a way. Government have given no assurance whatsoever as to whether they are prepared, soon after the termination of the war, to undertake the manufacture of all the locomotives needed in India. The Department themselves say that they will fall short of boiler plates, and wheel axles for wagons so much so that they are not likely to get even half the requirements of even rails. We have been agitating in this House and in another place that Government should make India self-contained. From the last war Government have learnt a great lesson. Although they depended a great deal upon the imported stuff, the time has come when they would feel the pinch, and they must owe a deep debt of gratitude to the Tata Iron Works, for, in case these works had not been established in India, Government would have had to face a difficulty which could not be surmounted. Why did not Government in the past look ahead and establish works for manufacturing such and other spare parts of machinery? It can be done. Whenever Government want to do a thing, they do it; when they do not want to do so, they make all sorts of false excuses. I will give an illustration to prove this. On the floor of this House I advocated the establishment of wireless stations so that we may be at par with other civilized countries in the world. The then Finance Member told this House, "What good is wireless to the cultivator?" The following year, perhaps at the dictation of Whitehall, the same Finance Member provided Rs. 98 lakhs or thereabouts for wireless. That is how the Government of India acts. When they want to do a thing, they will do it. There was no revolutionary change in the nine or ten months intervening between the time when the Finance Member, on the floor of both the Houses, said that wireless was of absolutely no use to the cultivator and it was a waste of money to undertake that work, but a few months later he provided about a million for wireless. That proves that excuse was all false. When Government felt the necessity of wireless for political and other reasons, they undertook it immediately. I should like to know from the Honourable the Chief Commissioner, in case they are hopeless of getting these boiler plates and wheel axles from England, has he tried to secure them from America, and if not, for what reasons? As far as rails are concerned, my information is that Government is reserving orders for rails for the British firms. If I am wrong in my impression, I hope the Honourable the Chief Commissioner will put me right. I hold that as renewal of tracks has not been done according to Government's own decisions and the work has been allowed to fall into arrears so this difficulty arose. I hope the Honourable the Chief Commissioner will give us some explanation why rail renewals was delayed and who is to blame for this crisis now which has arisen by non-purchase of sufficient rails.

I now come to the purchase of certain Railways. I am glad that Government have after all decided to buy the B.B.&C.I.R. and the A.B.R. Perhaps

the reason which appeals to me may be the reason at the bottom of that decision, namely, that in the capital of these two railways Government have over 90 per cent. share. If Government had not purchased those railways now, another Rs. 6 crores or so would have been added to the general revenues and they would have also helped in the execution of the war and reducing further taxation. However, I am glad that after all the recommendations of the Acworth Committee have been carried out. Government sometimes accept the proposals of some committees, and sometimes they lie buried in their offices and never see the light of day.

THE HONOURABLE THE PRESIDENT: They are paying railways and will add enormously to the revenues of Government.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: They are paying railways, Sir? I have the information before me that the A.B.R. is a heavily losing concern and that is the reason put forward by the Railway Department itself for its acquisition because the deficits are to be met from public funds, it is much better to acquire it. In the case of the B. and N.W.R., which is paying a dividend of 15 of 20 per cent., and about acquisition of which I have been agitating on the floor of this House for years, Government have not yet seen their way to acquire that railway by giving notice required. They slept over it and allowed the contract to be extended. In this connection there were all sorts of rumours. Some say Scotch influence; others said various high dignitaries, including some of the Indian retired officials being on its Directorate the Government had not the courage to displease them. Those reasons may be right or wrong but the fact is there, that notwithstanding such a heavy profit accruing to the B. and N.W.R. Government has not seen its way yet to give notice to acquire it. So, Sir, it is not merely the question of profit which induces the Government of India to purchase railways. These two illustrations which I have given are ample proof that whatever I say is correct.

I wish to bring it to the notice of the Honourable the Railway Member and the Chief Commissioner for Railways that when the E.I.R. was acquired, just before the acquisition the then authorities of that railway all of a sudden recruited a lot of Anglo-Indians. It is a fact which cannot be denied because documents prove it. I wish to bring to the notice of both the high officials of the railways that this sort of thing should not be allowed to happen in the case of the B.B. & C. I.R. and the A.B.R. The position of the Government then was that they had to take over the staff as it was. This blunder should not be repeated and Government must see to it that in this transitory period these two railways are not allowed such sudden recruiting on the basis of racial discrimination.

I now come to a most important point in railway working and that is racial discrimination. The late lamented Her Majesty Queen Victoria gave a magna charta to India when she among other things proclaimed that in the services there will be no distinction of caste, colour or creed. I deplore that a communal policy was accepted by the Government of India. In commercial departments efficiency must be the chief factor on which recruitment should be based. But because it is now the adopted policy of the Government I ask the Honourable the Railway Member and the Honourable Chief Commissioner how they justify the proportion of Anglo-Indians on Indian railways? I am sorry that instead of expressing their grouse the Muslim League Party in this House has walked out. I admit that those communities who were backward in education are now qualifying themselves, but the bigger share for them

[Rai Bahadur Lala Ram Saran Das.]

must not be taken only from Hindus and others. Why not take a share from the Anglo-Indians? Where is the justification of maintaining the percentage of Anglo-Indians at the expense of Indians? I could give you the figures to show how the Anglo-Indian proportion has jumped. Now Indian Christians and others are classified as Indians and whenever there is any debate in the House we find it very difficult to get the proper figures of what the proportion is. I would therefore request the Honourable the Railway Member and the Honourable the Chief Commissioner that in future when the budget discussion takes place both Houses of the Central Legislature must be given information in the report as to how Indianization has progressed, how the various proportions of the communities have been and what future steps Government is going to take in the recruitment of the various services and in fixing percentages in railway service.

Now, Sir, it is well known to all that in railway workshops and the running staff on locomotives, the great majority of labour is paid on daily wages. Their number is never taken into account when working out the communal proportion. Why? I have not so far been able to understand. It is said as they are temporary employees so they are not taken into account. But we know that though many of such temporary staff have put in over 15 to 20 years' service they are still regarded as temporary. Is that fair? There must be some fixed rule that in the case of staff who have put in 15 or 10 or whatever period of years of service you care to fix, they should be treated as permanent staff for the purpose of arriving at the communal proportion. To leave such staff out altogether for this purpose shows undue favouritism. And notwithstanding that undue favouritism it pains me to see that a certain Party in our House has walked out because the Honourable the Railway Member did justice and gave a right reply to their undue demand. I give every credit to Sir Andrew Clow for the courage he has shown for the first time in the House in flatly refusing an unjust demand.

Then I come to the matter of the dismantling of railway lines. In the papers before me the railway authorities say that some of these lines were superfluous and others were unremunerative and therefore they are being dismantled. I would like to know who was responsible for putting up these unremunerative or superfluous lines? Why was India's money so recklessly wasted? Then comes the question, if later they are considered to be works of utility, how will they be replaced and who will replace them? Whatever may be the reason given for dismantling these lines, my own view is that they are being dismantled for war purposes. Very well, I say do it, but why do they say that they are unremunerative and one thing and another? We are people who want the war to be pursued and the war to be won. Politics has no morals and one can easily say anything diplomatically, but the actual fact seems to be is that these lines are required for the prosecution of the war and after the war the War Office must replace them irrespective of cost. We do not want to speculate in this matter. We find from practical experience that after the war prices increase and it may be difficult for the Government of India in those circumstances to lay even half the mileage which they are passing on to the War Office. I hope, Sir, that this will receive due consideration of the Government and when the war terminates the War Office or other authority to whom these materials are being passed over will replace them and that current price should be taken at the present moment for them.

The Railway Member says that although they intended to dismantle 18 lines they have dismantled only nine.

THE HONOURABLE SIR ANDREW CLOW: Eight; the number has since been reduced.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: For that I thank the railway authorities. If these lines remained here till the end of the war, they will not have inconvenienced the public who have been accustomed to the convenience of railway travel. Now, Sir, I must say that Provincial Governments are consulted with all deference, is untrue. I find that Sir B. P. Singh, the Bengal Minister for Communications strongly protested against the dismantling of the Kalukahali-Bhatipara line. Two Ministers including Sir B. P. Singh came to Delhi to put their grouse before the authorities, but they were told that Government had already arrived at a decision and their representation was to go to the wall. In the face of that, to say that Provincial Governments have been consulted is—

THE HONOURABLE MR. L. WILSON: They were consulted in each case, Sir.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Consultation with Provincial Governments means that in case they do not agree, you agree with them. Consultation does not mean that they are just a sort of advisory body. I understand Ministers come from Calcutta to Delhi to put their grouse and you simply sweep them away and say, "We have come to a decision and no more hearing."

THE HONOURABLE THE PRESIDENT: The Chief Commissioner says that their opinion was taken; they were consulted and reference was made to them.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I have made a statement on the floor of this House that the Bengal Government including Sir B. P. Singh strongly protested. May I know from the Chief Commissioner or the Railway Member whether that is right or wrong?

THE HONOURABLE THE PRESIDENT: Why should a man not protest if he is asked his opinion. Consultation is asking for opinion. Consultation was made.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Consultation of a private body or of a committee is different from consultation of a responsible Government.

THE HONOURABLE SIR ANDREW CLOW: I think it might save time, because I believe the Honourable Member has been misled by a statement circulated by the Federation of Indian Chambers, if I made it clear that this line has not been dismantled.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I am glad to learn that from the Honourable the Railway Member. Statement was not circulated by Indian Federated Chambers.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Was that due to the protest of the Bengal Government?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: That shows that some of the conclusions to which the Railway Board came were wrong

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and on the arguments of the Bengal Government convinced the railway authorities the Honourable the Railway Member was good enough to restore that line and so saved that line from dismantling.

THE HONOURABLE SIR ANDREW CLOW: The Honourable Member's inferences are not correct.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, no such information was given us. However, I do not want to dilate on this point. I am a practical man and as long as you say that this line will not be dismantled at the representation of the Bengal Government, that is all well and good.

I want at this juncture to make a humble request of the Honourable the Chief Commissioner. In these budget discussions, the Railway Budget and the General Budget, Members put forward their suggestions and their criticisms and the Railway Member or the Chief Commissioner is unable on the spur of the moment to deal with all the matters brought before them. I consider that Government ought to issue a sort of communique after the session is over, as soon as they can, dealing with all the criticisms of Members of the Central Legislature and say what is the decision that the Government have arrived at on each of the suggestions. It will be a great convenience to the Members and it will be a great relief to the general masses to know whether the representations of their duly elected representatives go to the wall or what fate their observations meet at the hands of Government.

Year before last I said on the floor of this House that there was a rumour that European foremen in various railway workshops were being imported and the prospects of Indians who came from the various mechanical engineering colleges and were acting as foremen were being put at a discount. That has happened. At this time when there is a dearth of qualified mechanics in England, the Government has seen its way to import a few foremen but as a matter of fact when they joined, Indian foremen who were then officiating were demoted. The Government accepted the principle of recruitment of literate firemen and put it in force but it is now practically at a standstill. People suspect that this is because if they pushed this policy it would adversely affect the prospects of Anglo-Indians. If educated persons became drivers, the life of locomotives would be longer than it would be if illiterate people who were to continue as drivers as illiterate drivers only gain experience by injuring various parts of locomotives. I cannot understand why that policy has been practically put an end to. I hope the Honourable the Chief Commissioner will throw some light on that and tell us why that policy has been practically discontinued now—

THE HONOURABLE MR. L. WILSON: What is the policy that is referred to?

THE HONOURABLE THE PRESIDENT: I do not know myself.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I am referring to the policy of Indianization and of recruitment of literate firemen. Various Provincial Governments have spent lots of money for establishing engineering colleges. As far as the Punjab is concerned, the MacLagan Engineering College, Lahore, was established at a non-recurring cost of about Rs. 15 lakhs or so and has a recurring cost of a few lakhs a year and their product is not being fully utilized. If you doubt this, I can prove it.

THE HONOURABLE SIR ANDREW CLOW: The Honourable Member is apparently criticizing certain appointments. I am completely in the dark about them. When were they made?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: No, Sir. I am criticizing reversal of policy—Literate firemen since couple of years last. I am not talking of the war period. In war period one can give any amount of latitude. I am talking of things before the war. Once a policy is adopted it should be carried through; or, if it is not, then the Legislature should be taken into confidence for its reversal.

Then I come to the Advisory Committees. These Advisory Committees used to meet once a month and they used to do useful work. Perhaps for the sake of the new Railway Authority which is coming or for some other reasons which I do not know, the meetings of these Committees have been fixed quarterly. That means that the Government do not like to hear the criticism of the public and the utility of these Committees is being minimized. I do not think that is the right step. The reason given by the Department is that there was not much work for the Committees and therefore the meetings of the Committees have been fixed once a quarter. I have sat on these Committees and my experience is that on account of too much work some items used to be postponed, but I must say that the curtailment of the meetings of Advisory Committees is certainly a step in the wrong direction. If the present composition of personnel does not bring right sort of men on these Committees better revise it.

Now, Sir, I come to the question of the plight of the poor and low paid staff on the railways. We agitated for the revision and reduction of the pay and allowances of the superior services. But we never meant that the pay and allowances of the low paid staff should be revised and decreased. I must say that we are thankful to the Government for raising our standard of living, but once the standard of living has been raised by the Government's own doing, it is hard and unjust to decrease wages of low paid employees. In this respect we find that an Indian train clerk is paid Rs. 35. Sir, will the Honourable the Railway Member or the Honourable the Chief Commissioner for Railways consider how an average train clerk is going to support himself, his wife and perhaps also his widowed mother and the rest of his family on that paltry pay? I am not now asking whether one community should get more or another less but I mean that a living wage must be given to all. It is the low paid staff in whose hands the lives of passengers lie and you must have a contented staff. A discontented staff will add to the accidents and the discontent in their minds will benefit neither the railways nor the travelling public.

The leave reserve is so small that these poor people cannot get leave even in the case of a death in the family. They have seen their way to reduce the salaries of these unfortunate people. Old scales of pay and allowances ought to be restored for low paid employees.

THE HONOURABLE MR. SHANTIDAS ASKURAN: There are certain recommendations by the Committee appointed by Mr. Rau and they are under consideration. Am I right, Sir?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: May I inquire from Mr. Shantidas Askuran if it is not a fact that the reports of some of these Committees have reposed in the drawers of Departments concerned and never seen the light of day? Now, Sir, for the sake of illustration, let us take the plight of these train clerks. They have to risk their lives night after night particularly in goods yards. Their plight is miserable.

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Yet whenever there is a chance of promotion they are debarred. I hope, Sir, the Honourable the Chief Commissioner will bear me out when I say that when applications are invited for train clerks, response is meagre and there are very few who apply. But notwithstanding this fact unless you do not increase their pay and allowances, I do not think, Sir, that in face of this heavy and unprecedented surplus, you can do a better act of justice and generosity in raising the pay of these poor train clerks.

Now, Sir, the Kumbh Mela at Allahabad is coming next year. The Government is fully aware of it. May I ask whether any sanitary arrangements and amenities for the millions of passengers who are likely to assemble at Allahabad are being provided by the railways? If not, such arrangements should be made. Because these Kumbh Melas always result in a very handsome profit.

I fully endorse what Mr. Richardson said about taking away the surcharge on coal freight. If that is not done the public would be justified in thinking that the Government do not want to encourage justice. I need not say anything more on the subject as Mr. Richardson dealt with it very fully.

There are two other items which I wish to bring to your notice, and then I will resume my seat. The Honourable the Railway Member has not seen his way to take away the surcharges put on passengers and goods. I find, Sir, that it is the Railway itself which is responsible for not adding to its income. I will give you some information, Sir. You probably have the information but I want to draw particular notice to it. In the year 1932-33, there were 397,000 first class passengers as against 498,000 second class passengers. What is the present proportion of first and second class accommodation on railway trains? Generally speaking, you have eight first class berths and ten second class berths in a main line train. Is that justified? You yourself force the second class travelling public to go to the intermediate class or even the third class. I have represented this matter a number of times on the floor of this House but I feel very sorry that no action has been taken. If Government would increase the second class accommodation they would get much more income without these new surcharges. In 1939-40, the number of first class passengers fell to 355,000 and that of second class passengers to 3,959,000. Why this fall? Because people became disgusted. The Honourable the Railway Member must of course—I regard him as a gifted officer—while he is travelling, have seen how packed the second class carriages are. Unless you give them some amenities you cannot draw the full benefit from them. Therefore I urge that on all railways the second class accommodation should be increased to the proportion of the number of second class passengers to first class passengers. As regards income, the Honourable the Railway Member has said in his speech that by the imposition of surcharges, the passenger receipts have risen. I have before me a statement of money realized by the sale of first and second class tickets. In 1932-33, the income from first class passengers was Rs. 75,09,000 and in 1939-40 it came down to Rs. 69,19,000. Why such a heavy drop? In 1932-33, the income from second class passengers was Rs. 1,41,76,000 and in 1939-40 it was Rs. 1,36,14,000. That has also fallen notwithstanding the imposition of heavy surcharges. Why? Because you do not give them amenities, you do not give them accommodation and so your revenue from traffic is falling. I cannot help blaming the railways and saying that the cause of getting lower returns is due to want of attention in this due grievance of travelling public.

One more point and I am done, Sir. I am glad to find that owing to the war, the income from strategic railways is increasing. But, Sir, I must again

impress upon Government that the loss on strategic lines, whatever it may come to, must be debited to the Military Department. I hope the Honourable the Chief Commissioner will give us some information as to how much capital expenditure is being incurred nowadays for the execution of the war. I find that at many stations works are being carried out at the instance of the Defence Department in increased yards, and in a number of reserving passenger and goods carriages and so on. Who will bear those charges and what is the total amount of such expenditure so far? I have tried to go through the literature which the railway people have been good enough to supply us, but I cannot find that information there. In such matters I wish that full information is given in future. After all, that does not help the enemy in any way, because my experience is that sometimes we hear matters regarded here as strictly confidential from the German radio. As far as general information upon yards and other things are concerned, there is no object in concealing it because I presume that enemy knows about what you are doing in open. Therefore, Sir, there will not be any disclosing of secret. In case such information is to be treated as confidential, let it be confidentially circulated among the Members of both Houses.

In the end, I request that some relief should be given to the taxpayer, when you have such a huge surplus. I know that you have done one good thing, namely, you have paid so much in advance on account of your payment to the general revenues. That is all right. We want to support you at this time of war. But, at the same time, those who make contributions to your income must have some amenities, and I find that the amenities so far given are practically nothing and I am rather distressed to find that the mentality on the part of the Railway Board which led them to withhold amenities to travelling public.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay: Non-Muhammadan): Sir, the taxpayer will heave a sigh of relief at the results of railway finance this year as well as at the prospects of the coming year. The fact that in these two years the railways will contribute the large sum of Rs. 21 crores to the general revenues is one of the most remarkable features of war finance in this country. It is all the more so when we remember the fact that for many years till recently the railways were in a state of chronic deficit so much so that the entire working of the Government of India Act of 1935 was dependent, on the financial side, on the improvement of railway finance.

I am not prepared to agree that these surpluses are due to any extra efficiency on the part of the railway administration, though I am quite prepared to admit that they have had to do heavy work since the outbreak of the war. A commercial service managed by Government is bound to be more expensive and less economical than that managed by private companies; and though there are other more weighty grounds why State-management of railways in India is desirable, this factor of economy and efficiency cannot be forgotten. Further, efficiency in a State concern is likely to be at a discount when that concern is in a monopoly position to render an essential service as the railways in this country are.

In my opinion, the causes of the surplus are mainly four:

- (1) diversion of traffic from the coastal shipping lines to the railways;
- (2) diminishing competition from motor traffic, which is becoming more costly;
- (3) increased traffic due to war activities; and
- (4) higher railway rates.

If I am right in my analysis of the causes which have brought about the surplus I think Sir Andrew Clow cannot claim all the credit for the railway

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administration, as each one of these causes is independent of railway efficiency. I hope that the fact of the surpluses will not turn the heads of railway officials, and the need of constant watch to ensure rigid economy in all railway departments will be borne in mind by those at the top, more than ever at the present juncture, when the tendency to loosen control may be greater.

I may also draw attention to the fact that a certain part of the surplus is due to our accounting method, and cannot be said to be permanent. I refer to that increase in railway receipts which is due to the movement of troops, war supplies and such other war activities. These activities cause a debit in the military services due to the transport cost; the same item becomes a credit in railway accounts. With the advent of peace, both these items will disappear.

In spite of this different outlook on the nature of the surplus, I must congratulate the Communications Member for lending substantial assistance to his colleague the Finance Member, whose task of balancing the general budget would otherwise have become desperate. Let us hope that onerous task is now under reasonable control, and the taxpayer will not be asked to squeeze himself further.

Coming to details, there are a few points which demand our attention. We have been told of the possibility of bringing suburban season ticket fares up to the level of the enhanced passenger fares of last year. I should like to leave this traffic untouched; in fact, I am in favour of further concessions to this traffic, a point which I cannot press for under present conditions. The tendency for our big cities like Bombay and Calcutta to develop their suburbs is a sign of better housing facilities and improved sanitation. If you hamper this very desirable tendency, you increase congestion in the cities, with inevitable consequences which can be easily imagined. Sir, we have the serious problem of slum clearance in our big cities and of proper amenities of life to that large and increasing mass of people who crowd in these cities. I hope nothing will be done by which the existing difficulties in the life of our cities are further increased.

(At this stage the Honourable the President vacated the Chair, which was taken by the Honourable Rai Bahadur Lala Ram Saran Das.)

Similar remarks apply to the exemption of foodgrains and fodder from the increased freight applicable to other commodities. It has been suggested that if there is extra expenditure on the staff rendering it necessary to have more revenue the exemption may be removed. Sir, I am not able to see the connection between this exemption and the extra expenditure on the staff, assuming it is required. These exemptions were given on their merits. The agriculturists have not found their lot improved in any way on account of the war; perhaps they will suffer because of the loss of markets for their produce and consequent low prices. The agriculturists are the chief parties concerned in this connection, and it was to see that they are not unduly burdened that this exemption was given. Before removing the exemption the Member in charge should prove that the agriculturist has become so prosperous in the interval that he can easily pay the higher freight.

Even if extra expenditure on railway staff is required I should like to know whether it is not possible to find the same by showing greater economy in the cost of the administration. I want to know whether there are not economies and other improvements possible in the administration of the railways by which a few lakhs could be found for such expenditure. Sir, I would

certainly congratulate the Member in charge for efficiency if he were to show better results in this connection, instead of thinking of removing this exemption.

Sir, in the course of his speech the Honourable the Railway Member referred to the increase in coaching traffic and said it was "particularly encouraging as affording evidence of increased prosperity among the masses". I wish I could share this feeling of his. Our population is predominantly agricultural. May I ask of the Honourable the Railway Member to tell us which section of this vast agricultural population has found its lot improved?

THE HONOURABLE SIR ANDREW CLOW: I would ask my Honourable friend where the extra passengers have come from?

THE HONOURABLE MR. SHANTIDAS ASKURAN: I am coming to that.

As head of a big administration, he has all the sources of information available to him. Let him study the prices of cotton, jute, groundnuts or any other agricultural commodity upon which the prosperity of the masses depends. Have they fallen or increased during the year? I request the Honourable the Railway Member to tell us on what grounds he can claim that the prosperity of the masses has increased.

Regarding the problem of the manufacture of broad gauge locomotives, I have listened to the story of Sir Andrew Clow without conviction. I sympathize with his difficulties; but I am sure he will sympathize with us in our disappointment at the loss of one more opportunity. Sir, I find the spokesmen of the Government talking of industrial development, and the great things that they would do to foster it, more loudly than ever. If their words were supported by deeds, many of our problems would be solved in no time. If there was any opportunity to build up industries in this country it is here and now. But once we put forward a suggestion or a scheme for using that opportunity a host of difficulties are put in our face. The consequence is that the opportunity will be lost, and the country will be once again in the same position after the war as before. The Government of India have taken courage in both hands for many unusual things required for the war; will they take courage in both hands for starting at least one major industry, for many of which the war provides unusual opportunity? Sir, I hope that even now the Government of India will revise its decision and go forward with the scheme of building up the industry for the manufacture of broad gauge locomotives. At a time when large sacrifices are required of the people of this country, let the Government show that they have the real interest of the country at heart by pushing forward schemes of industrial development which will give permanent advantages to the country instead of merely talking about the same.

Sir, my last point is with reference to the dismantling of 305 miles of branch lines which were found unremunerative. I want to ask as to when were these lines found unremunerative? Did they suddenly become unremunerative on the outbreak of war? Were they not approved as remunerative when originally planned? If the original estimates went wrong why was this House not informed earlier and in time? Sir, I put these queries exactly in the form in which the average citizen in this country puts them. I can assure you that the Government of India have not enhanced their reputation by this action, which I may describe as the destruction of the property of the taxpayer without his knowledge and consent.

Looking at the problem in another way, let me remind the House that most of our railways were unremunerative in the beginning. Is not the

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Communications Member aware of the history of railway finance in this country? Did not the taxpayer of this country pay for the guaranteed interest of the British investor in our railways for years, for decades, almost to the end of the last century? Sir, it is quite possible that railways which do not pay in the beginning even for a long time, do pay in the end, even as most of our other railways have done. Besides, the position of the Government of India that they were justified in dismantling these railways merely because they did not pay ignores many other important factors. Is it proper to think of each separate section of a railway line in this country as a separate unit? Are not all the railways parts of one large system? Are the railways to be viewed merely as business propositions? Are they not the chief means of bringing civilization to the remote areas of the country? The fact that such facilities exist may lead businessmen and industrialists to undertake schemes, if not immediately at least in course of time. Who knows that there were not parties who were planning productive work in the neighbourhood of these lines which would have made these railways pay and add to the wealth of the country? Sir, one can develop these points to prove beyond doubt that the action of the Government of India is wholly unjustifiable. Though we cannot repair the damage done, I think these observations will impress the Government about the urgent desirability of changing their outlook on things of this nature, in handling which they so often forget the obvious point of view and the obvious interests of the people of this country.

I make all these observations in a friendly spirit. I do so because I am convinced that by wrong actions the Government often unwittingly contrives to lose the goodwill of the people, which they profess to woo in many ways. I am fully aware that the Honourable Sir Andrew Clow and the Honourable Mr. Wilson are both painstaking officers with a real zeal for economy in the administration. The public expects even greater measures of economy during their administration than has been the case in the past.

One word more, Sir. I welcome whole-heartedly the statement of the Honourable Sir Andrew Clow in the other House that he would regard it as his duty to see that every man serving under him, whatever his class or creed, had fair chance of advancement to posts for which he was eligible and qualified. The railways are no charitable institution to help this community or that. Justice and fair play demand that every man should have an equal chance, and advancement should solely depend on merit and qualification. I am sure this Honourable House will endorse the policy laid down by the Honourable Sir Andrew Clow.

THE HONOURABLE SIR MUHAMMAD YAKUB (Nominated Non-Official): Mr. Chairman, the present war has proved a blessing in disguise for the railways at least, and I do not grudge the credit which has fallen to the lot of the Honourable the Railway Member and his Department. The acquisition of two important lines, and the decision to acquire a third one, are prominent features of the Budget presented by my Honourable friend Sir Andrew Clow; and in carrying out these decisions they have given effect to a long-standing desire on the part of the Central Legislature. I hope that the grievances of Indians as regards the management of these lines will receive immediate and prompt attention on the part of the Honourable the Railway Member.

Mr. Chairman, no patriotic Indian would object to any measure which helps in the prosecution of the war and we are prepared even to undergo all sorts of personal discomforts and inconveniences in order to meet the abnormal conditions created by the present war; but in their zeal to help the prosecution of

the war, I am afraid the Railway Department have done wrong in dismantling certain railway lines in India. For instance, the railway line between Chandpur and Bijnaur, in Moradabad and Bijnaur districts, has been dismantled and in so doing the railway have done great harm to the sugar industry in that part of the country. My Honourable friend, who has just spoken, has dealt at length on this point and therefore I need not waste the time of the House by repeating the same arguments; but I do hope that the Railway Department will pay more care and more consideration in dismantling railway lines in India.

I do not approve of the method adopted by the Muslim League Party for registering their protest against the attitude of the railway, in meeting their grievances, by leaving the House as they did this morning; they have followed in the footsteps of the Congress the non-co-operation policy of which they themselves disapproved of. But, Mr. Chairman, the halting and apologetic way in which my Honourable friend Sir Andrew Clow declared in the other House that he was trying his best to give effect to the Resolution of the Government of India was quite sufficient to create a suspicion in the minds of the Muslims that he personally did not approve of the policy of the Government.

THE HONOURABLE SIR ANDREW CLOW: I made no suggestion of that kind at all. I only indicated that it was a policy formulated before I came into office and I was fulfilling it both in the spirit and in the letter.

THE HONOURABLE SIR MUHAMMAD YAKUB: Therefore I say if you read between the lines of the words he has spoken and his language, it shows that his heart was not in it, but simply because a policy was thrust upon him he was trying to follow it; the halting—

THE HONOURABLE SIR ANDREW CLOW: On a point of personal explanation, Sir. The Honourable Member is not entitled to read between the lines a meaning which was not there. I only said so because an accusation had been made that it was my individual policy and not that of the Government of India.

THE HONOURABLE SIR MUHAMMAD YAKUB: However I may be wrong, by reading his speech, as reported in the press, I thought that the Muslims were not unjustified in coming to the conclusion that perhaps their rights were not safe in his hands. Mr. Chairman, nobody suggests that Muslims should be given any post in any Department simply because they were Muslims. No Mussalman has ever advocated that Muslims should be appointed to any post at the expense of efficiency. But, Sir, who is to judge the efficiency, and what is the criterion of the efficiency? The Muslims are perfectly right in demanding that their promotion should not be barred only on the report of unsympathetic and hostile immediate officers by whom they are surrounded. Efficiency is not the monopoly of any particular community or any particular nation.

THE HONOURABLE THE CHAIRMAN (the Honourable Rai Bahadur Lala Ram Saran Das): Can you recite such a case?

THE HONOURABLE SIR MUHAMMAD YAKUB: But the appreciative manner in which the unsympathetic answer of the Honourable Sir Andrew Clow has been approved of by the Leader of the Opposition in this House, and by the Honourable gentleman who has preceded me clearly indicates the direction of the wind and they clearly show in what atmosphere the Muslims have to work and under what handicaps they suffer in the Departments of the Government of

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India and therefore I say that hostile reports against the Muslims should not be considered as a conclusive proof of their being inefficient.

THE HONOURABLE SIR DAVID DEVADOSS : What is the alternative way of securing efficiency ?

THE HONOURABLE SIR MUHAMMAD YAKUB : The alternative probably is quite clear. The alternative would be that the domination of the majorities who are crushing minorities in the world must be wiped out.

(A number of Honourable Members attempted to interrupt.)

I am not giving way. But all these interruptions must be a lesson to the Honourable the Railway Member and they show him what is the attitude of the other communities towards the Mussalmans. The way in which the minorities in Europe are being crushed by the dominating Hitler must be a lesson and must show to the Government the way in which minorities are being treated by dominant majorities. The Honourable the Railway Member is himself a distinguished mathematician and therefore I am not at all surprised at his lack of appreciation for the realities of life, but I hope he will not allow his mathematical calculations and personal feelings to come in the way of the discharge of his official duties and I do hope that the just grievances of the Mussalmans will be removed. It must be realized that perpetual injustice to the Mussalmans is bound to create difficulties which will not do credit to any Government.

THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA (West Bengal : Non-Muhammadan) : Sir, the Railway Budget has been subjected to so many comments, favourable and otherwise, from different quarters that I find I cannot add anything original or new to them. It is on the whole easier to criticize than to construct ; and I will not attempt a task as unprofitable as ploughing the sands of the seashore. We must remember the exceptional circumstances of the present times and the conditions imposed upon us due to the war. Financial prophecies are hazardous even in normal times ; they are exceptionally so in the abnormal times through which we are passing ; and we must look to the future with restrained optimism. I must, in the first place, offer my sincerest congratulations to the Honourable the Railway Member for the substantial surplus indicated in the Budget. I also note the way in which it is proposed to deal with it. But I would have been pleased if under the circumstances an attempt had been made to decrease even to a limited extent the rates of fares and freights, especially the fares of the third class passenger. The Honourable the Railway Member in the course of his speech in the other place has said that " on the railways, as on our big industries, the war has had far-reaching effects. These have been, on the financial side, mainly beneficial ". But, unless I am mistaken, both in his speech, as well as in the speech of my Honourable friend Mr. Wilson in this House, I miss any reference to the amenities for third class passengers who contribute such an overwhelmingly large part to our railway earnings. But they are quite out of the picture in the Budget. Their grievances are many and long-standing ; and these have been repeatedly ventilated on the floor of this House, as well as elsewhere. While, on the one hand, Government seem to be eager to pass the Ticketless Travellers Bill, they do not appear to be equally solicitous for the provision of additional facilities which will enable third class passengers to purchase their tickets in time. Third class booking windows are not, in many cases, opened at the hours prescribed, sometimes at many stations, the opening hours are not even indicated on the notice board outside ; and the result is what may be

imagined. Sometimes owing to heavy rush at booking offices third class passengers are not able to purchase their tickets in time, and they are faced with the alternative of either not travelling by the particular train, or of travelling without a ticket. Station masters and other railway officials should see to it that the instructions issued in this respect are actually enforced ; and in cases of failure exemplary punishments should be inflicted. There are other points also, and well known to Honourable Members, and I do not like to refer to them here, but I hope that effective steps will be taken to remedy the legitimate complaints, which have become, to use a hackneyed expression, a hardy annual in budget discussions.

Sir, reference has been made in the speech of my Honourable friend Mr. Wilson to the building of broad gauge locomotives in India ; and the plea has been advanced that the railway workshops which were intended to manufacture locomotives in this country have had to be utilized for producing war materials. This is no doubt true at the present moment when every source of energy must be utilized for the successful prosecution of the war. But the neglect in past years is culpable, and the railway authorities cannot escape responsibility. The dismantling of certain branch lines is another regrettable necessity due to war conditions, and we have got to put up with it.

Sir, I must now bring my remarks to a close ; but before doing so, I would like to refer with approval to the policy so firmly restated by the Railway Member in the other place, namely, the policy of making promotions of railway employees without fear and without favour.

Communal representation in public services is bad enough ; promotions on communal considerations are worse. It is subversive to all discipline, and impairs dangerously the efficiency of public services. I deeply regret that some friends should be found to advocate such a subversive policy ; but indeed it is very gratifying to find that the Honourable the Railway Member in the other place laid down the only correct and honest policy in this respect as follows :—

" So long as it is our policy to make promotions by merit I shall regard it my duty to see that every man serving under me whatever his class or creed has a fair chance of advancement to posts for which he is eligible and qualified ".

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

The Council reassembled after Lunch at a Quarter to Three of the Clock, the Honourable Rai Bahadur Lala Ram Saran Das in the Chair.

THE HONOURABLE THE CHAIRMAN : The House will now resume the debate on the Railway Budget.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, at the outset I desire to offer my hearty congratulations to the Honourable the Railway Member for reaffirming the salutary principle in his recent speech at the October conference that the promotions of employees in the Railway Department will not depend on communal considerations. Sir, we regret very much the walk-out staged by the Muslim League Party in this House as well as in the other House. My Honourable friend Mr. Hossain Imam tried to placate the House by stating that his grievance was against Anglo-Indians and Europeans and not against the Hindus ; if that is so, I think the attitude he has adopted does not in any way help to improve the position of his community. If his grievance was against Europeans and Anglo-Indians he ought to have stayed in the House, pressed his claims and joined with us if really there was a grievance and if he wanted that grievance to be redressed. Sir, in fact our grievance is against the Government, not against the present

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Railway Member, because in my humble opinion all this trouble is due to their policy of recruitment. If recruitment to the public services is made on communal or political considerations it is bound to impair the efficiency of the services. We think that the Government of India or the Secretary of State must reconsider their decision. This is just the time to stop all this bickering and trouble. They should withdraw the Home Department's circular about recruitment on communal lines and recruit the best men from whatever communities they get in India. Of course, Sir, amongst Indians, as I said once in this House, I include also Anglo-Indians. But if Anglo-Indians went to take advantage of their position in some departments while at the same time they are not willing to share the disabilities that Indians have to share, then the Anglo-Indians do not come under my definition. The Anglo-Indians must think first in terms of India. They must regard themselves as Indians, so that they may be able to share the advantages as well as the disadvantages which the Indians have to share in this country. My friends of the Muslim League Party ought to have given credit instead of condemning the Railway Member for his statement made the other day in the other House that he would not give promotion to railway employees except on merit. After all the efficiency of the Service depends on merit. If you employ inefficient men from any community because of their political importance, it is bound to affect the administration of the department and it is bound to create trouble. Especially in a department like the railways we are afraid it will cause loss not only of property but of life as well. So, taking this view into consideration I think my Muslim friends committed a very grave mistake in protesting against the statement of the Railway Member.

Sir, I am not of course in a position to congratulate the railway administration for the surplus that we have got this year. In my humble opinion I think it is a clear case of over-estimating the expenditure side and under-estimating the revenue. Last year the Railway Member while speaking in the other House said that if the freights and fares were not increased he would not even be able to pay one per cent. on the capital at charge, and on that ground he tried to secure the support of the House for the increase in the railway rates. Apart from any other consideration it is equitable and fair that a part of the income should go to relieve the burden put on the travelling public on account of the increase in the railway rates and fares. I am not pleading here the cause of higher class passengers; but so far as third class passengers are concerned it would have been much better if the Government had thought it wise to relieve their burden by decreasing the rates. Moreover, Sir, the poor agriculturists in India who have not benefited much by this war and whose products are not being exported to foreign countries, deserve some relief to enable their products to be sent from one province to another at cheap rates. The Railway Administration should have taken their difficulties into consideration and should have given some relief to the poor agriculturists. It is a matter of deep concern to agriculturists as a whole in India that the railways have not thought it wise to decrease the rates for the movement of their produce. Sir, another matter to which I want to apply my mind for a moment is about a statement made by the Railway Member in his speech about the acquisition of Company-managed railways. He says :—

"I should like to make it clear, in view of possible misapprehension, that the Government of India have never accepted the view that every contract for the working of a State-owned railway should be terminated whenever opportunity offers, irrespective of the merits of the case".

On this point I want to join issues with him. Public men in India are under the impression since the declaration made by Sir Charles Innes in 1923 that Government have accepted the policy of acquiring State-managed railways as soon as their contracts expire. In order to prove my statement I shall just read a sentence from the speech of Sir Charles Innes in 1923. Before that, Sir, I may just state that the Acworth Committee had recommended that so far as Indian conditions are concerned State-management of railways is preferable to Company-management of railways. Though Sir William Acworth in his famous book has not accepted the view, still as far as India is concerned he has clearly stated—and the Committee have clearly stated in their Report—that State-management is to be preferred in India. Sir Charles Innes said :—

"We will all agree I think with the unanimous recommendation of the Acworth Committee that as the existing contracts of the guaranteed companies expire the management and control of those companies should be transferred to India".

In this very speech, Sir, he further said :—

"Government have done their best to find an alternative to State-management, and I may as well admit at once that we have failed. * * * Accepting, therefore, as we do, the unanimous recommendation of the Acworth Committee that our policy should be, as the existing contracts come to an end, to transfer the domicile of these companies to India, we must admit that we have failed to devise any satisfactory alternative scheme to State-management which we can introduce within the period of time which is still left to us".

He further clarifies this point and he says :—

"In the first place we are agreed that we have got to transfer the railways to Indian control as the contracts expire; secondly, we have failed to devise a satisfactory alternative to State-management which alternative could be introduced within the time which is left to us before these two contracts expire; and thirdly, we believe that by a period of direct State-management we shall be able to carry out a really useful measure of grouping".

Sir, it comes to this, that according to the policy accepted by the Government, State-management of the railway is more economical, efficient and also the administration can be efficiently controlled by the public as well as by the Government. Sir, the statement made by my Honourable friend the Railway Member in the other House has created a misapprehension in the minds of the public and I hope he will not only clear that statement but will continue the policy that has been accepted till now.

Then, Sir, I want to say a word about the dismantling of certain lines in India. These lines have been dismantled and according to the statement of the Chief Commissioner for Railways Provincial Governments were consulted and the States in whose jurisdiction these lines existed were also consulted before the lines were dismantled. We had a lot of discussion this morning when you stated this point yourself. I am glad to learn that owing to the pressure brought by the Bengal Government the line that was to be dismantled has been retained. But there is a lot of difference between consultation and agreement. Provincial Governments may have been consulted, but I want to know whether the Provincial Governments agreed to the dismantling of these lines which have been dismantled in various provinces?

This brings me to a very different question, and that is the constitutional question. You have to take the vote of the Legislative Assembly for laying out a line. You must also convince the Legislative Assembly when for different purposes you are required to dismantle these lines. This is a clear case of over-riding by the executive of the powers of the Legislature. We have a right, Sir, to demand an explanation from the Government as to why they failed to get the support of the Legislature and as to why they arbitrarily

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chose this action without consulting the Legislature. Then they ought also to look to the inconvenience that is likely to be caused and that is being caused to the travelling public and the poor agriculturist in those provinces where they have dismantled these lines. They say that the motor transport would help the travelling public and the agriculturist in this matter. But I must bring to the notice of the Railway Department that motor transport will not be able to cope with the volume of traffic that is likely to be increased on account of the dismantling of the lines. The sufferers will be the travelling public and the agriculturists. The price of petrol has gone up and the travelling public will not pay much more than what the railways demanded from them for their fare. Sir, we are not here to obstruct Government's war effort. We are quite willing to support their war effort but I must say that they also must look to the convenience and the inconvenience of the public as well as those of the agriculturists who want to take their produce to the various markets.

Sir, before I close I must record my protest against a circular of the Home Department, according to which a particular community gets more initial pay for the same job than other communities.

THE HONOURABLE SIR ANDREW CLOW : I would ask your ruling, Sir, if this is in order. This circular was not issued during the last year. It is over a year old and it does not relate to the Railway Budget.

THE HONOURABLE MR. V. V. KALIKAR : It may not relate to this year's Railway Budget, but it is in order in this way that the railways have to pay more for that particular community.

THE HONOURABLE SIR ANDREW CLOW : It does not relate to this year's working. This is an old circular which the Honourable Member is referring to.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : How is the Honourable Member prevented from referring to it ? If an injustice continues for five or ten years, is that a reason why we should not refer to it ?

THE HONOURABLE SIR ANDREW CLOW : I do not accept the Honourable Member's premise.

THE HONOURABLE MR. V. V. KALIKAR : If the injustice is repeated, I think we have more right to refer to it again and again. The Honourable Member's predecessor, Sir Muhammad Zafrulla, laid down the principle in his speech that a particular community would not get more pay for a particular job because the standard of living of that community is higher. That principle has been given the go-by by the Government of India. We have a right to raise our voice of protest against this injustice, because we find not only have we to pay more as taxpayers but it causes a great deal of discontent amongst the employees of the railway. I hope my Honourable friend the Railway Member would impress upon the Government of India, and the Secretary of State if necessity arises, to adhere to the principle enunciated by his predecessor and withdraw that circular. As I said in the beginning, pay, promotions and recruitment should not depend on communal consideration, but on merit. Under these circumstances I submit, I voice the feeling of all Members on this side, that the circular is unjust, it is favouritism to a particular community at the cost of the taxpayer and it creates discontent amongst the employees of the Railway Department which ought to be avoided.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Non-Official) : Sir, I congratulate the Honourable Member for Communications as well as the Chief Commissioner for Railways on the prosperity budget they have been able to present to us.

3-5 P.M.

Sir, I wish to enter a word of warning against spending a lot of money on bricks and mortar. After the last war there was a boom in railway earnings and, as you are all aware, a lot of money was sunk in bricks and mortar, and then, when the time of depression came, we were at sea and we did not know what to do. Therefore, we should be careful not to spend the surplus in any way which will not bring a return.

Sir, I have another point to urge. I had the honour of presiding over a conference at Hubli. The complaint there was that the local men were not taken into the service but preference was given to Goanese people bearing such names as Pereira and Sequeira. No doubt, as was complained by some of the other Honourable Members, preference is given to Anglo-Indians. I have nothing against Anglo-Indians. But why should Goanese get the benefit of service on the railways in preference to local talent which is available in the place ? Sir, if a person who bears the name of Ramaswami calls himself Ransome he immediately becomes eligible for employment. I am not against Anglo-Indians. Nor do I hold a brief for them. There was a time more than 20 or 30 years ago when educated Indians did not care to take up service as engine drivers or mechanical foremen. Only the other day I had the pleasure of travelling with a railway officer. He told me that an educated Indian did not care to become an engine driver, though the pay was something like Rs. 300—400. Well, there was a time, no doubt, when educated Indians did not care to take up that kind of work but when they are willing to take up that kind of work, I do not think their claims ought to be overlooked. My point is, why should Goanese and others belonging not to the Indian but to a foreign jurisdiction be given preference over local talent ? I want this to be investigated. I had the honour of presiding over a conference at which this was very prominently brought forward. Hubli is within the Bombay Presidency and the M. and S. M. R. have got a big workshop there, and though the population is between 80,000 and 1,00,000, the local men are not taken into the service and Goanese are largely taken into the service. I want this to be remedied. This is a time, Sir, when everybody is willing to take up service on the railways, whatever the nature of the service. There was a time when educated Indians did not care to take up mechanical service. I don't say that Anglo-Indians should be shut out. They are as much Indians as the others. But when foreigners are being given preference, then I say we have got a real grievance. I hope, Sir, the Honourable the Communications Member will give some consideration to what I have said and try and induce the authorities of the M. & S. M. R. to give employment to the local men in Hubli.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Mr. Chairman, the railways have yielded this year an unprecedented surplus. In ordinary times the Railway Member and the Chief Commissioner for Railways would have been entitled to our hearty congratulations on this result. But knowing what lies behind the surplus—that our railways are yielding us, we can neither be happy ourselves nor congratulate Government and the Railway Board. We cannot forget the sacrifice in blood and misery of which our surplus is the result and I have no doubt whatsoever that we shall have to pay a heavy price for our temporary prosperity after the war.

Sir, the Railways having, no matter for what reason, proved extraordinarily profitable this year, we might consider ourselves justified in asking Government

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to reduce the freights and fares which were raised in March last year. But we know that although the Railway Department is claimed to be a commercial Department, it is as much a part of the ordinary budget, it is as much a means of raising revenue, as if railway finances had not been separated from the general finances. I hope this point will be borne in mind by Government when we ask for fuller control in some respects over the activities of the Railway Board. Owing to this reason, Sir, it is futile for us to ask for any reduction in freights and fares, for any reduction that may be made in them will only lead to an increase in the taxation that may be proposed when the General Budget is presented. Since the General Budget and the Railway Budget have to be taken together, it does not matter to the taxpayer whether the extra money that Government need at present is provided by the railways or by some other kind of taxation. It is for this reason and this reason alone that I refrain from asking for a reduction in freights and fares, for, a reduction in them will not ease the burden on the taxpayer. But I must enter my protest against the threat of Sir Andrew Clow that the freight on foodgrains may also be raised in course of time. His exact words are these :—

“ I would remind the House of the warning I gave last year that the maintenance of the exemption on foodgrains must depend on the demands made on us for the remuneration of our staff, and that the case for exemption of fodder is not so strong as it then was ”.

Sir, I do not think that the Honourable Member has in this sentence made out a strong case for increasing the freight on the carriage of foodgrains. The Honourable Member, I am sure, knows the sensitiveness of this Legislature and public opinion to any increase in the salt tax, because it affects the poorest classes in the country. He can well understand, therefore, the strength of our objection to the course that Government may be tempted to take, *i.e.*, to raise additional revenue by increasing the freight on foodgrains, should higher remuneration have to be given to the railway staff. I do not know whether by higher remuneration to the railway staff he meant the dearness allowance recommended by the Rau Committee. But, if he did, I must say that in my opinion Government would be pursuing a very objectionable course if they raised the freight on foodgrains even because of an increase in their expenditure owing to the acceptance of the Rau Committee's recommendations. The Honourable Member wants money, but he should realize that by increasing the freight on foodgrains he will make food dearer for all classes,—even for railway labour and those poor classes whose welfare, I know, he always has at heart.

Sir, before I deal with certain important matters connected with railway policy and administration, I should like to congratulate Government on having provided a separate cadre for Government Inspectors of Railways and on the purchase of the B. B. & C. I. R. and A. B. R. So far as the first point is concerned, it had been obvious for a pretty long time that Government Inspectors of Railways, who have to report on accidents which might be due to the negligence of the officers of the railways in which they were employed, should not be dependent for their promotion on the Agents of those very railways. The step that has now been taken by Government will add to their independence and will increase public confidence in their reports. As regards the purchase of the B. B. & C. I. R. and A. B. R., while the Railway Board and the Chief Commissioner deserve our congratulations for the step that they have taken, particularly in regard to the A. B. R.—for there was a fear that its contract might not be terminated even this year—I would ask Government to go further than they have done and to give notice during the current year to the B. and N. W. R. of the termination of their contract. If Government decide to acquire that Railway, notice of the termination of the contract must be given by the 31st December, 1941. My Honourable friend the Railway Member has used

language which makes us fear that the Government policy in future might be different from what it has been hitherto. In dealing with the disadvantages which according to him are inherent in any form of State-management, he said :—

“ And, apart from any difficulties inherent in official management of an industrial enterprise, the handicap to efficient administration which is involved in a system rendering the organization answerable to a popular legislature not merely in respect of questions of general policy but in respect of details must be constantly present to reflecting Members of this House ”.

There are two points in this expression of the Honourable Member's views which call for the serious consideration of the House. The first point is whether State railway management has so far proved efficient or not? The Acworth Committee expressed the opinion and Government agreed with it that the railways managed by the State did not compare unfavourably with those managed by companies. Has anything happened since 1924 and 1925 when the E. I. R. and G. I. P. R. were acquired to lower the efficiency of the State-managed railways? No Railway Member or Chief Commissioner for Railways has yet complained that the acquisition of those lines by the State has led to a deterioration in their management. Well, Sir, if the railways that Government have already acquired are being efficiently run, what reason is there to suppose that the administration will deteriorate suddenly when new lines are acquired? If the Government think that they can manage the affairs of the whole country efficiently, why should they suddenly become diffident when it is a question of purchasing a few railway lines?

The other point which calls for attention in the sentence from Sir Andrew Clow's speech which I have just quoted refers to the result of the control of a popular legislature on the railways. Has that control been in any way productive of inefficiency? Has Government ever said that the State railways were less efficient than Company managed railways? It is obvious that the control of the Legislature has not tended in any way to reduce the level of efficiency. But apart from this I would ask Honourable Members to bear in mind certain improvements which have been brought about entirely owing to the pressure of the Legislature. Such progress as has been made in respect of Indianization, a better regard for the rights of the labour employed by railways, the extension of the amenities provided for third class passengers and many other things are the result of the control of a popular legislature of which Sir Andrew Clow is for some reason apprehensive.

Sir, apart from the views expressed by Sir Andrew Clow it seems to me that the discussions which have taken place in the Legislative Assembly on the acquisition of railways have I believe shown that Government had on the whole reconciled themselves to the view, strongly held by the Indian public, that as the contracts of new lines fell in they should be purchased by Government. I refer particularly to the debate which took place in the Assembly in 1936 with regard to the acquisition of the B. and N. W. R. and M. & S. M. R. Sir Muhammad Zafrulla, who was at that time Member for Railways, stated three objections to the acquisition of these railways, at that time. One was the provision of the purchase money. Another was the increase in expenditure that might result owing to the insistence of the Legislature on certain reforms and the third was the undesirability of burdening the Federal Railway Authority, which it appeared then might soon be established, by the acquisition of new lines. Now the period that has elapsed since 1936 has shown that our financial position need not cause us the slightest anxiety, that the money required for the purchase of the B. & N. W. R. can be easily found at the present time when the Finance Department are going to pay off £90 millions of the sterling debt. No one can use the argument that the few millions required for the purchase of

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the B. and N. W. R.—about £9 millions, I believe—will throw any strain on our financial machinery. Now, Sir, as regards the extra expenditure due to the insistence of the Legislature on reforms we know what the result of it has been in other lines. Why need we be apprehensive if those very reforms are carried out in the B. and N. W. R.? If the Railway Department can take credit for the reforms that they have introduced in the railways already managed by them, there is no reason why they should object to the introduction of those very reforms in any lines that we might purchase hereafter. As regards the Federal Railway Authority we do not know when it will be established and it is my hope that it will not be established in the form which it would have taken had it come into existence already. We have to remember that the Federal Railway Authority, if established in accordance with the arrangement approved of by Government at the present time, will draw its powers not from this Legislature but from Parliament. Apart from this, the whole arrangement is of such a nature as to make us feel that our railways will be mortgaged to the British bondholders. For this reason, Sir, I do not at all share the view expressed by Sir Andrew Clow in his speech that an authority might soon be established which would take the place of the control exercised at present by the Legislature on railway administration.

So much, Sir, for the question of policy involved in the acquisition of new railway lines. But so far as the B. and N. W. R. is concerned, we have to bear in mind that the company which manages the B. and N. W. R. is responsible also for the management of the Tirhut Railway which is a Government concern and the R. and K. R., a part of which also belongs to Government. Now, the contract which has been entered into with the R. and K. R., with regard to the State Railways placed under its management says :—

“The Company shall continue the working of the State Railways until the end of the year 1937, or if the company's railway be not purchased in the year 1937, until the end of the year 1942; but the Company shall have no power to continue the working of State Railways after the end of the year 1942 unless a further agreement in relation thereto is come to by the parties concerned”.

There is a similar provision in the B. and N. W. R.'s contract with regard to the Tirhut State Railway. Now, the contracts for these two State lines will automatically come to an end in 1942. There is absolutely no reason why Government should again hand over their property to a company. Having gained experience of railway management, why should they not now gladly take this opportunity of administering these lines which some years ago they had made over to the R. and K. R. and B. and N. W. R. Companies. The contract with the B. and N. W. R. can last up to 1981, but Government have the power of determining it on the 31st December, 1942, and notice of its termination will have to be given this year. If Government do not give this notice and do not come to any fresh arrangement with the B. and N. W. R., it is obvious that the Company will have the right to continue to administer the railway till 1981. I am sure that even my Honourable friend Sir Andrew Clow is not so enamoured of Company-management as to propose to us that we should allow the B. and N. W. R. to continue under Company-management for 40 years more. The B. and N. W. R. is a paying railway. Whatever reforms may be introduced in it by Government under the pressure of the Legislature, we may safely assume that it will still continue to be a profitable concern. I hope, therefore, Sir, that the Government will not become unduly diffident about their capacity to manage the railways and carrying a step further the policy which they have hitherto followed, will give notice by the 31st December, 1941 of the termination of the contract which they have entered into with the B. and N. W. R.

Sir, although the construction of locomotives has been referred to by several speakers already, I would venture to dwell on it for a moment. For reasons which will become apparent as I go on, it has been a great disappointment to us to learn that the idea of constructing locomotives in this country has been practically abandoned by the railway authorities. I should like to refer to a little past history on this point. I do so not because the past can be recalled, but because Government who bear a heavy responsibility in this connection are morally bound to do whatever they can even during the war to push on with the scheme for the construction of locomotives as far as it is humanly possible for them to do. This question, Sir, was considered by the Assembly in 1935 and again in 1937 and 1938. In 1937 Sir Muhammad Zafrulla, who was Railway Member, then in opposing the demand for the manufacture of locomotives in this country, said :—

“I shall not weary the House with these details (those mentioned in 1935) again but the result was that unless there was a demand on the average of at least 200 locomotives every year a completely equipped factory could not be put up and Government would continue to lose heavily on it if the minimum demand could not be guaranteed. An experiment could be started on the basis of a demand of from 50 to 60 locomotives a year the scope of which could subsequently be expanded if the demand increased, but even that limited demand could not be guaranteed by the railways”.

Next year, Sir, this question was discussed again in the Legislative Assembly; the Railway Member then was Sir Thomas Stewart, and in opposing the Motion for undertaking the manufacture of locomotives he said :—

“As has been said before, there is also a tendency to replace the ordinary locomotives by other types of locomotive, and at the present time I venture to think that the locomotive situation is quite obscure and that it is impossible to say at the present time that we would require anything like 250 locomotives per year. The probable figure will be certainly much less than half of that.”

“I have done a certain amount of looking forward, and looking forward as far as 1955, our estimates of boilers in those years are 22 broad gauge and 29 metre gauge. It is a very risky thing making estimates as far ahead as that but with long lived machinery like engines one can make a pretty fair estimate of what is going to happen a considerable time ahead and there you have the estimates of the Engineers who are concerned with the construction and utilization of boilers. Their estimate is 22 broad gauge and 29 metre gauge. That is the engineer's estimate”.

And he therefore pooh-poohed the views expressed by non-official Members. Yet, Sir, a Committee appointed about a year and a half later reported that the construction of locomotives in this country was quite feasible, that the demand was large, that the average annual requirements during a period of 11 years, that is from 1940-41 to 1950-51 will be about 200 broad gauge and 71 metre gauge locomotives while the average, if a period of 16 years is considered, will be 162 broad gauge and 57 metre gauge locomotives. Even taking into account the lifecycle of a locomotive which is 35 years, and spreading our requirements over this period, Government will annually require 74 broad gauge and 26 metre gauge locomotives in addition to an equal number of boilers. Now, I should like Sir Andrew Clow or Mr. Wilson to tell us who was responsible for the estimates supplied to Sir Muhammad Zafrulla and Sir Thomas Stewart. Surely, the railway officers concerned could not be so ignorant as not to know that, whatever the surplus of engines on hand might be owing to their better utilisation their use for a longer time would by adding to their age make larger replacements necessary than would have been the case otherwise. Why was that obvious point overlooked and two successive Railway Members made to oppose the demand for the construction of locomotives in this country?

Sir, having been themselves responsible for the state in which we find ourselves, it is their duty, notwithstanding the difficulties created by the

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war, to do all they can to carry out the scheme contained in the report to which I have already referred. I have not the slightest objection to the railway workshops being utilized for turning out war material. No reasonable man would object to that. But surely it is not too much to ask that one workshop may be reserved for the manufacture of locomotives in this country. Surely we are not asking too much in demanding that the requirements of this country should be borne in mind even at this time. In doing so, we are only asking the Government to pursue a policy which is being pursued in every Dominion. But the Honourable Member may say that the difficulty is not merely with regard to the utilization of the Kanchrapara workshop for the turning out of locomotives. There is another and bigger difficulty,—the want of certain essential materials without which locomotives cannot be constructed. I will, Sir, in this connection, draw his attention to para. 90 of the Report of the Locomotive Committee. The Committee which reported after the war had broken out says:—

“Local representatives of three important manufacturing firms of machine-tools, who have generally supplied the requirements of Indian railways in this regard hitherto, have given us assurances that even under existing war conditions, deliveries of the machine-tools that would be required for the new workshops could be guaranteed within the 15 to 18 months necessary for the new workshop to begin to function”.

As regards the importation of some of the required material, it expresses the hope that Government would give it priority even in the existing conditions because of the importance of manufacturing locomotives in this country. I know that the idea of manufacturing locomotives in this country has not been formally abandoned by the Government. A certain number of broad gauge locomotives will be built in the Ajmer workshops which have been constructing metre gauge locomotives for a long time. But we cannot possibly be satisfied with this. We ask that the bigger scheme should be proceeded with even under the present conditions. We are afraid, and I think legitimately afraid, that if the scheme recommended by the Locomotive Committee is postponed, it may, when new conditions supervene after the war, be entirely abandoned.

Passing on, Sir, from this question, I should like to refer to the policy pursued by the Company-managed railways in regard to the purchase of stores. I have been making complaints about it year after year but I find that no improvement worth the name has taken place. The Company-managed railways during the year 1939-40 purchased stores worth nearly Rs. 7½ crores. The value of the stores purchased through the Indian Stores Department amounts to Rs. 29 lakhs only. This is certainly about Rs. 20 lakhs more than in the previous year but it still bears a very small proportion to their total requirements. If the State-managed railways can purchase nearly half of their requirements through the Indian Stores Department, what reason is there for the Company-managed railways to follow a different policy?

Sir, while dealing with the question of the purchase of stores, I would like to draw the attention of the Government to the complaints that I have received in connection with the advertisements issued by them for the articles that they require. When I was in Calcutta a few weeks ago, I received several complaints that the specifications of the articles advertised by Government were of such a character as to compel the supply of foreign materials. If the specifications were in a general form so that it might be possible to substitute indigenous articles for imported articles, manufacturers of Indian articles could tender, but the form of the specifications is such as to exclude those persons who are

unable to supply imported materials. I hope that the railway authorities will look into the matter and see what steps can be taken to remove this grievance.

Sir, there is only one point more with which I should like to deal before I sit down. I have often brought before the House the grievances of the inferior and subordinate railway servants. I congratulate the Honourable Sir Andrew Clow on the firm stand that he has taken in the matter of promotions. I hope that no threats from any community will make him depart from the salutary rule which he is resolved to observe.

(At this stage, the Honourable the President resumed the Chair.)

The observance of this rule is in our own interests. We have frequently brought before Government the grievances relating to Indian employees on the ground that appointments and promotions were being made upon communal considerations. We shall have absolutely no justification for complaining of the present treatment of Indian employees if we allow this principle to be departed from for the benefit of any community. In order that there might be no demoralization in the railway services and the interests of all communities protected it is necessary that the principle of making promotions on merit should be adhered to. But it is because of my insistence on this principle that I venture to draw the attention of the Railway Member and the Chief Commissioner for Railways to the grievances of the Indian employees. They insist on a salutary principle but they refuse or hesitate to carry it out where the interests of Anglo-Indians and non-statutory Indians conflict. I pointed out two years ago, Sir, that in the E. I. R., in the Engineering Department, there were hardly any Indians in the superior subordinate posts. Take, for instance, the locomotive sheds and shops. So far as can be judged from the names of the employees, the posts of foremen and assistant foremen in the various locomotive sheds and also in the locomotive shops at Jamalpur and Lucknow are held either by Europeans or Anglo-Indians. I had asked for figures for the carriage and wagon shops, and according to the information that was given by Government, it appeared that taking both the Lillooah and Lucknow shops of the E. I. R. there was only one Indian foreman and three Indian assistant foremen. The railway authorities may say that the paucity of Indians in the posts I have referred to is entirely due to the fact that they were not recruited in the past. I doubt, Sir, whether that would be a complete answer to the grievances that I have ventured to draw the attention of Government to. I find, Sir, that in the E. I. R. workshops, the supervisory staff are transferred from one section to another in order that comparatively junior Anglo-Indians might become senior to the Indian staff to the prejudice of the latter in the matter of promotion to higher posts like those of foremen and assistant foremen. Seniority lists are prepared, but for some reason or other, they are departed from even if the posts concerned are not selection posts. Again, Sir, take the Lillooah workshop colony. I asked a question in March last year about the accommodation provided in this colony for Anglo-Indians, and pure Indians, but I have not received an answer to that question to this day. My information, Sir, is that at Lillooah, out of several hundred quarters meant for the supervisory staff, not even three are in the occupation of Indians. I have been further told that if by chance some Indian is given a quarter, he is made to vacate it whenever it is required for an Anglo-Indian employee, however junior he may be in service. The people who have to live outside the colony suffer in various ways. They are denied medical facilities in the railway colony on the ground that they live outside the colony. They are not allowed to buy cinders and coal at the concession rate allowed to employees.

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They have to buy their own fuel from the market. They have to pay for electricity at the market rate and not at the rate allowed to railway employees. I refer to these grievances year after year, but it is a source of great disappointment to me that even in the regime of my Honourable friend Sir Andrew Clow the grievances of the Indian subordinate servants have not been remedied. The inferior staff, Sir, have in some respects been dealt with even more harshly. On certain divisions of the E.I.R., skilled workmen even after years of good service were ruthlessly retrenched. It was not foreseen that casualties were likely to occur in the near future due to superannuation or promotions, and the retrenched hands were reemployed, not on the old pay and on the old scales, but on the minimum of the revised scales of pay and made junior to most of those who were formerly junior to them both in pay and service. There is again no uniformity in the matter of permitting employees already in service to compete for new vacancies. On the Allahabad Division I understand that an order has been passed that in case those who are already in service intend to apply for new vacancies, they must first resign their posts. I ask the Railway Member whether this is a fair order? I do not know what justification can be urged in defence of it. It appears to me to be entirely indefensible. It is a melancholy fact, Sir, that the subordinate and inferior railway servants, who require most protection, are most neglected by the railway authorities. We all know the interest that Sir Andrew Clow takes in the welfare of the lowest paid Government servants. I trust, therefore, that his own feelings will compel him to go carefully into the grievances that I have today brought to his notice, so that the great blot of injustice to subordinate Indian employees resting on the reputation of the railway authorities might soon be wiped out. Sir, I do not wish to pursue this question any further, but while I am on this subject

4.5 P.M. I should like to draw the attention of Government to the recommendation made by Mr. D'Souza with regard to the appointment of subordinate railway servants in future. He has recommended the appointment of an independent organization for the appointment of subordinate railway servants in the State-managed railways. It appears to me that this recommendation deserves the approval of Government. The patronage which is now exercised by railway officials should be taken away from them and placed in the hands of an authority whose impartiality would be recognized by all. Government are already examining the claims of labour to a dearness allowance. I trust that they will come to the conclusion that the recommendations of the Rau Committee are eminently reasonable. They will I think give further proof of their regard for the welfare of their subordinate servants should they accept the recommendation that I have referred to. The appointment of this Commission may in future lead to other important developments and it may be that the complaints that we have to bring forward year after year may become unnecessary.

Sir, I have already taken a great deal of the time of the House, but before I sit down I should once more like to ask the Railway Member and the Chief Commissioner of Railways with all the earnestness that I can command to look carefully into the grievances of the Indian subordinate services and to try resolutely to remove them within the shortest possible period of time.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, at this late hour I think I should not be justified in taking a great deal of the time of this House. Much of what I had intended to say has already been said by those who have preceded me.

Sir, the distinguishing feature of this year's budget is the fact that the railways are passing through a period of unprecedented prosperity. The large surplus this year is not due to any increased efficiency in railway administration, it is not due to any economy in railway administration; it is due, and it is a melancholy reflection, to the tragic conflict which we are witnessing in large parts of the world. This prosperity, this surplus, has been achieved at the expense of blood and sacrifice, as my distinguished friend the Honourable Pandit Kunzru said. The Honourable Pandit Kunzru pointed out that though railway finance has been separated from general finance yet the two are interconnected, and in that view he took the line that if railway freights and fares had not been increased the general taxpayer would have had to pay in some other way. Therefore he was not disposed to quarrel with Government for having increased railway freights and fares. That sums up also my attitude towards the increase in railway freights and fares. But there is one consideration I should like to place before this House. You have increased railway rates and fares. Very well. You have a very large surplus. Very good. But what is the amount that you propose to spend this year on increasing the amenities of the travelling public? The travelling public even in war time has a right to expect that their amenities will be increased when you have such a large surplus. I find that so far as the grievances of the travelling public are concerned they will remain exactly what they were. Nothing is going to be done so far as this budget is concerned for the third class and intermediate class passengers. I do not find that there is any provision in the budget for erecting or improving new platforms. The difficulties of passengers were narrated at some length by the distinguished Leader of the Opposition and I should like to associate myself with what he said. Sir, there is a local matter to which I would like to draw the attention of the House. It is not entirely a local matter. I think it is an all-India matter. Next year in Allahabad we shall be having the big Kumbh Mela and millions of pilgrims will visit Allahabad in January, 1942. Now, Sir, has the railway administration allotted any sum to cope with the traffic that this Mela will entail? The main railway station is about three to four miles from the Ganges. There is a B. and N. W. R. station near the Ganges but it is a very, very small station and I think the Allahabad public needs a temporary railway station near the Ganges in order to cope with this huge traffic that you will have next year. Millions of people from all parts of the country will be visiting Prayag.

Then I should like now to pass on to the question of dismantling of lines. I find myself on this question in agreement with Pandit Kunzru and Mr. Kālikar. These lines which you now find are unremunerative have been dismantled without any reference to the Legislature. They were constructed after consultation with the Legislature, and that being so they should not have been dismantled without reference to the Legislature. If you wanted to dismantle these lines the proper course was to bring a Resolution before the two Houses of the Legislature and ask for their approval. I am opposed to the dismantling of these lines. We happen to have some property in Bijnaur and I know that district and I know the hardship that has been caused to the travelling public by the dismantling of the Bijnaur-Chandpur line. The cultivator has suffered as a result of the dismantling of these lines. We must remember that the price of petrol has gone up. Correspondingly with the rise of price of petrol other things have also gone up; the price of lubricating oil has gone up. In some of these parts there are no motor busses. You have not taken into consideration the inconvenience that you have caused to a number of village folk. Marketing facilities in this country are notoriously inadequate. The agriculturist depends for his living upon good marketing facilities and what you

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have done is to restrict the facilities that he enjoys at present. Now, Sir, I do not think that the main issue of the war will be decided one way or the other by the dismantling of a few lines here or there. What you have done in the name of war effort is to inconvenience the ordinary man in the village, and I am therefore constrained to say that this act is an act of vandalism. It was so described by a respected leader in the other place and I therefore adopt his language. Sir, if these lines were unremunerative, why did you ever construct them? When did you discover that these lines were unremunerative. Sir, the cotton grower, the wheat and sugarcane grower, all these will suffer to some extent or other by the dismantling of these lines. I am in agreement with the Honourable Pandit Kunzru on this point. I will not labour the point further. I will only express my agreement with him. I am in agreement with the Honourable Pandit Kunzru in regard to what he has said about Company *versus* State-management. I am glad that the B.B. and C.I.R. and the E.B.R. are to be purchased by the State. I hope, Sir, that notice will be given to the B. and N. W. R. terminating their contract. Notice will have to be given this year. We do not want our future to be mortgaged till 1981.

When I read the speech of our esteemed and good-hearted Communications Member I was rather surprised to find that in the year 1941 when his countrymen in England were trying big experiments in war time in State control he had become a little doubtful as to the wisdom of State-management of railways. The Federal Railway Authority contemplated by the Government of India Act is open to very serious objection from our point of view. It vests very large powers in the hands of the Governor General; to take only one thing, the Chief Commissioner will be appointed by the Governor General in his discretion. There are other provisions also which give him very large powers and this Federal Railway Authority is not consistent with what Mr. Amery says he intends India to achieve, maximum control over her own affairs, subject to certain obligations which Britain has in this country. Therefore if the Honourable Sir Andrew Clow is lamenting the fact that the Federal Railway Authority has not come into existence, I am afraid I cannot share his sorrow. I am rather glad that that Federal Railway Authority has not come into existence so far. I think public criticism has led to greater efficiency so far as the railways are concerned. It has led to greater Indianization. The Anglo-Indian has not yet been taught his proper place. I think he will be taught his proper place, but we have to a certain extent been able to attack the virtual monopoly which the Anglo-Indians enjoyed over the railways, thanks to State control. Also the travelling public have not to deal now with directors six thousand miles away from the scene of their activities. They can deal with the Communications Member and they can deal with the Railway Board in India and they can ventilate their grievances on the floor of this House. There is more regard paid for the welfare of labour. All these are achievements which have been made possible by the State taking over control of the railways. I am myself by conviction a believer in greater State control. I think the State in years to come will play even in our economic life a larger part than it has done so far and I would therefore say that this question of Company *versus* State-management is a very important one. It is not a question only of Indianization. It is a question which touches the fundamentals of one's creed and I am therefore all for State-management and I hope that Sir Andrew Clow will strictly adhere to the policy to take over present Company-managed railways.

Sir, I would like to associate myself with what has been said by the Honourable Pandit Kunzru in regard to the manufacture of locomotives. I myself

have certain quotations from certain reports, but at this late hour I will not trouble the House with the history of the locomotive industry. All that I shall say is this, where there is a will there is a way. That is the proverb which we were taught when we were in school and the history of this question, if we trace it from 1935, shows that the will to manufacture locomotives in this country for some reason or other is lacking. Why cannot we get machinery and plant from the United States of America at this moment? If there was a will we should have been able to get over the difficulties, but there is unfortunately no will and that is the inference that one has to come to after studying the history of this question. I feel rather disappointed that this question of the construction of locomotives is not going to be taken up during the war. I know some locomotives are going to be manufactured in Ajmer. What, Sir, if the war continues for three, four or five years? Is everything to wait till the war is over? Sir, I think the question ought to have been looked at from this point of view also.

Sir, then I should like to express the hope that the Honourable Sir Andrew Clow will implement the recommendations of the Rau Committee. I think, Sir, they have arrived at just findings. They have come to the conclusion that there has been a rise in prices and that a dearness allowance should be given to the G. I. P. R. workers. Sir Andrew Clow has come to the conclusion that if dearness allowances is given to G. I. P. R. workers, they will also be given to the workers on other lines.

Well, Sir, there is a grievance which I should like to bring to his notice. Railway servants on running duty who get medically unfit as a result of injury to them while on duty are often discharged. Some of them have years of service behind them, and in these cases some consideration ought to be shown to them. They should not be discharged but, to the extent that it is possible, other jobs should be found for them.

THE HONOURABLE THE PRESIDENT : Isn't any compensation paid in such cases?

THE HONOURABLE MR. P. N. SAPRU : If they have suffered as a result of the negligence of the railway company, of course compensation should be paid to them.

THE HONOURABLE THE PRESIDENT : I am not referring to the Compensation Act but apart from that.

THE HONOURABLE MR. P. N. SAPRU : Well, Sir, if you have employed a man for 10 years or 15 years or 20 years in your service and he has done you good service, I think in fairness he ought to be given some compensatory allowance. I would be prepared to go as far as that, I think, Sir, that humanity requires that a man who has served you for 10 or 15 years should not be discharged without getting some compensation. If you can find some other work for him, find it by all means. But if you cannot find some other work, then you must compensate him to the extent it may be possible for you to do. I do not look upon the railways as a purely commercial concern. I look upon them as a public utility service and therefore the humanitarian point of view with me is supreme.

I should like, Sir, also to refer to the grievances which guards on the N. W. R. have in regard to their promotion. I understand that you have four classes of guards there, the fourth grade being the highest grade. This fourth grade was abolished and an undertaking was given that the number of third grade guards would be increased. Now the number of third grade guards has not been increased. There are men in the second grade who have been there

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for 10 or 15 years without any promotion. And I hope Sir Andrew Clow and the Honourable Mr. Wilson will kindly look into their grievance and see if anything can be done to remove the block in the way of their promotion.

Then, Sir, I think I ought not to close my remarks without expressing my appreciation of the stand that the Honourable Sir Andrew Clow took in regard to the question of promotion on communal grounds. Personally, Sir, I think in a service which is a very difficult service from many points of view, because the lives of the travelling public are in the hands of the driver or the guard, the only consideration should be merit. We regret that we have accepted the communal principle at all in our public services. But having accepted the communal principle in the recruitment of our services, is it necessary for us to go further and say that promotions should also be regulated by communal considerations? Sir, we hear these days a great deal about minorities and the rights of minorities. The only real minority, I have often felt, is the minority to which you, Sir, belong. Now, Sir, your community is a small microscopic minority but it has never asked for favours and yet it has achieved great distinction. It has contributed a very great deal to the building up of Modern India. Only the other day I had the privilege of visiting what I consider is a place of national pilgrimage for every Indian—I mean the Tata Iron and Steel Works at Jamshedpur. And I was genuinely thrilled by what I saw there. Here is a pioneer industrial community. Did our Muhammadan conquerors come to this country as a minority or a majority? They were just a handful of two or three hundred thousand soldiers. Why were they able to establish themselves in this country?—because they had character, because they had grit, because they had ability. The Moslem community which has such proud traditions, should be ashamed of talking of itself in the way it has been doing of late—80 millions a minority? I cannot understand the mentality of my Moslem friends today. They are not looking at things from the right angle.

Sir, partly the policy of Government has been responsible for this. They have been spoon-fed for such a long time that they find they cannot stand on their own legs today. They now want that promotions, appointments and transfers should be based on communal considerations. I have often wondered, Sir, why the Moslem community does not want that there should be equality of representation so far as lunatic asylums are concerned! Sir, there is a limit to communalism and that limit was reached when the Muslim League took the unfortunate stand it did in regard to the Railway Budget.

Sir, I should also like to say a word about foodstuffs. I hope there will be no increase of freight so far as foodstuffs are concerned. Already, the price of primary articles, articles which are necessary for food, has gone up to some extent and we do not wish the cultivator to be hit harder than he has been.

I should also like to bring to the notice of the Honourable the Communications Member the grievances of second class passengers. The grievances of first class passengers were narrated by Sir A. P. Patro in this House once. The grievances of the third class passengers have been narrated almost every year. But the grievances of second class passengers also need mention. Sir, the berths in the new second class compartments, I have noticed, are very narrow. They are not wide enough. You will find that the number of second class passengers in a train is much larger than the number of first class passengers, but the number of compartments is about the same. In the Mail you get about an equal number of second class and first class compartments. I have not seen the figures but I am saying this from experience. Most respectable

Indians, particularly their families, travel second class and as we have a surplus this year, some part of that surplus should be spent over increasing the amenities of the travelling public. That is all I have to say in regard to the Railway Budget.

THE HONOURABLE SIR ANDREW CLOW (Communications Member): Sir, I welcome the opportunity of addressing you and this House again. We have had a long debate ranging over points both great and small, and I propose to deal first very briefly with a few of the small points and then to go on to the subjects of more general interest which have been raised by a number of Members in the House.

The suggestion was made by the Honourable the Leader of the Opposition that it will be a good thing to issue a communique stating what our views are in regard to the points raised in this debate. Well, I doubt if that will be a satisfactory solution, for it would really mean that I would be replying to some of the points in the debate and replying to other points in the Library. I think the better way is for me to deal with as many points as I can in this speech. If Honourable Members are dissatisfied, they can put questions to the Chief Commissioner who is at all times ready to answer them and provide further information.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I said so because the reply generally is that the points have to be considered, and the reply has then to be given. Therefore I said that a communique ought to be issued on these points raised in both the Houses.

THE HONOURABLE SIR ANDREW CLOW: It can always be followed up by questions. He also referred to some question which I think did not concern the past year. He referred to the question of the appointment of some foremen in the workshop at Lahore. That, if I remember rightly was one or two years ago and was the appointment of a very few men to meet a temporary difficulty. I would observe that however efficient your Engineering Colleges are, any man experienced in engineering works will tell you that the college boy, however clever, is not as successful as a foreman who has learnt his manual skill by long years in the works.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I might say that on the MacLagan Engineering College at Lahore, the majority of the Committee are officers of the N. W. R. and in case they are not able to produce capable young men, it is really the railway officers concerned who are to blame.

THE HONOURABLE SIR ANDREW CLOW: I was making no reflection either on the College or on its products. The best Engineering College in the world does not turn out men who on emerging are capable, or even within a few years are capable, of filling the post of foreman. That is not a gazetted appointment; that is not an appointment of an officer's rank. It is an appointment which demands long years of manual skill.

He also made some complaint about statistics, which I was not quite able to follow. I have looked up the communal statistics since. They seem to me to show Anglo-Indians separately from Indian Christians and to give all the information as regards communities that can reasonably be expected.

Then I was surprised to hear such an experienced Member repeating the old complaint that we were paying for the loss on strategic lines. That is not

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the way I regard the position at all. If he looks at the provisions of the Railway Convention, he will find that the first charge to Government is one per cent. on the capital at charge less the cost of working strategic lines. That is a way, I think, of making allowance for those charges which undoubtedly we bear in the first instance.

The Honourable Sir David Devadoss referred to some recruiting at Hubli. That is not recruiting within my control as it is on a Company-managed railway, but I shall see that his remarks are forwarded to the General Manager concerned.

Then, the Honourable Kumar Nripendra Narayan Sinha broached the interesting subject of ticketless travel. I hope this House will have an opportunity of discussing that at more leisure on a later occasion, and I do not propose to deal with it today.

The Honourable Pandit Kunzru, who devoted most of his speech to questions of great importance, descended later to a number of rather detailed points about some workmen's quarters at Lillooah and points of that kind. I am afraid I am not in a position to answer those points, most of which were new to me, without notice. But I have no doubt that the Chief Commissioner will be able to supply information if it is asked for on a later occasion. I will deal with his major points a little later.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: May I interrupt the Honourable Member? My only excuse for bringing these points forward again is that they have not been attended to by Government. I mention them year after year and consequently there is no excuse for the ignorance of the Government.

THE HONOURABLE SIR ANDREW CLOW: I think the Honourable Member will realize that holding the position I do, I cannot be expected to deal with both all the big questions and all the small questions and if he has failed to obtain information in reply to a question asked in March last, I have no doubt that it will receive the Chief Commissioner's attention.

I come to the wider issues. Sir, I most certainly would not claim the credit for the surplus in the Railway Budget. If Honourable Members will read my speech in another place, they will see that I made no such claim. I am very ready to recognize, as the Honourable Mr. Shantidas Askuran and some other Honourable Members have observed, that the surplus this year is due largely to very special causes and, I admit, was to some extent not anticipated by myself. But I hope that if, owing to changes in circumstances later, the Railway Board have to show in some years unexpectedly large deficits they will not be put down to inefficiency when the surplus is not credited to efficiency. We are very much at the mercy of economic conditions in this country, and these again depend on events happening in far distant fields beyond any control we can exercise here. I admit frankly that the budget shows a much bigger surplus than I estimated, and so far as I can see at present the indications are that even the estimate I framed about two to three weeks ago, may be exceeded. But as I tried to explain in my speech, we are dealing with the unpredictable, and if next year my figures were out by an amount equal to this year one way or the other I should not feel at all repentant; I should merely feel lucky or unlucky.

As regards the actual rates, opinions seem to differ a little. Pandit Kunzru, wisely as I think, said it would be futile to ask for reduction. But the Honourable Mr. Sapru seemed to think that, while he did not exactly ask for reductions, the surplus might well be dissipated, or a good part of it, on giving amenities to travellers.

THE HONOURABLE MR. P. N. SAPRU: On a point of explanation, Sir. I did not ask for reduction. I associated myself with what Pandit Kunzru had said so far as rates and fares were concerned, that is, I did not want them to be reduced.

THE HONOURABLE SIR ANDREW CLOW: I fully appreciate that; but I got the impression that the Honourable Pandit wished to produce the same effect in a different direction. In other words instead of asking us to reduce our income, he asked us to increase our expenditure. He wanted us to increase and expand amenities. We are always anxious to increase amenities in any way we can, but I do not think the existence of a surplus of this character, which as Honourable Members recognize is largely adventitious, would be a sound ground in making a large increase in amenities which we have to carry for a number of years.

The Honourable Mr. Richardson referred especially to the subject of coal. We recognize the importance of keeping coal rates as low as we can, and that is one reason why we have given it what is certainly in my view preferential treatment. I should not be surprised if in the distant future, as higher grade traffic tends to go to the roads even more than at present, the rates for low-paid traffic like coal have not to be put up. But he complained that we made the situation apparently easy when labour was scarce and in the seasons when labour was plentiful our policy added to his difficulties. Well, I would rather have liked to ask him what action the coal industry had taken in pursuance of the advice given by the Royal Commission on Labour who made a recommendation that they should cease to depend so much on this very fluctuating aboriginal labour and turn more to labour of a more permanent class which would give them a more regular output of coal throughout the year.

Although I have expressed agreement with Pandit Kunzru that it would be unwise to ask for reductions in rates, I hope he will not take me as agreeing with his subsequent dictum that "it does not matter to the taxpayer whether it comes from railways or from other sources;" because my own view is that it does make quite a substantial difference.

There were several references to the special case of foodgrains, among others by Pandit Kunzru, Mr. Sapru and Mr. Shantidas Askuran. I should like to make it clear that we are not contemplating any increase in the rate on foodgrains at present, but I do not regard it as illegitimate to repeat the warning that I gave last year that this is, in what I think is quite a fair way, linked with the question of allowances to staff. I think it was Mr. Shantidas Askuran who criticized the linking of the two items. But surely there is a very obvious connection. In keeping foodgrains at a low level we are not entirely disinterested. It does help to keep down prices and it does help to keep down the demands which may be made on us by our staff. If prices go up, which means normally that the agriculturist sooner or later is getting a higher price for his commodity, it is not unreasonable that he should be asked to pay a little higher freight to pay for allowances that we may have to give.

There have been a good many references to the dismantling of lines. I was glad a reference was made to the Kalukhali-Bhatiapara line in particular,

[Sir Andrew Clow.]

because there has been a good deal of misapprehension about that case. Apparently some Calcutta newspaper has spread a story that the Standing Finance Committee has recently agreed to its dismantling, and I received in the interval today four telegrams from agitated gentlemen in the neighbourhood. I have already said in another place that I believe the prospect of the dismantling of this line to be remote and that no proposal for its dismantling is at present under consideration. The situation is always liable to sudden changes, but it has changed recently so much for the better that one line that we proposed to dismantle this month has been left, and that is a long line. That line would obviously receive our first consideration if we received a fresh demand before we looked in any other direction.

Then some questions were put to me on the general issue of dismantling lines. Mr. Shantidas Askuran said that we had dismantled them, I think his words were, "merely because they were superfluous". Surely not? The main reason for dismantling them was not, as he and other Honourable Members suggested, that they were unremunerative. The first reason for dismantling them was that we wanted the rails, and on that very urgent demand we naturally looked first to those lines which were unremunerative or which could most easily be spared. That I think is the answer to the Honourable Mr. Sapru, who said "What you have done is to inconvenience the ordinary man". I admit it; but the ordinary man would be subjected to a good deal more than inconvenience if we were to lose the war.

I was asked by several Members "Why did you not foresee that these lines were going to be unremunerative?" Two of those Members were prominent business men, and I would like to ask them if every speculation they have ever made has been successful.

THE HONOURABLE MR. SHANTIDAS ASKURAN: It is not speculation; it is accounting.

THE HONOURABLE SIR ANDREW CLOW: It is not a question of accounting. Lines are opened with the hope and in the belief that they will prove remunerative. Indeed it is my complaint, and one of the weaknesses I think in Government administration, that the bureaucrat is too unwilling to take risks. He knows that if he spends public money and it goes "down the drain" so to speak he will be blamed. Whereas if he does nothing and fails to take a good opportunity of making money no one is ever going to make any criticisms at all. In a commercial concern you have to take risks, and here, in the light of what we now recognize to have been an age when people saw things through rather rosy spectacles, both in the official and the unofficial world, a number of lines were laid down in the hope that they would prove remunerative. That hope has been falsified, largely I think by factors which those who designed the railways could not have foreseen, such as the road competition, and other factors to which I referred in the Budget speech I delivered in last year. We do not conceal the particulars of the working of these lines where separate accounts are maintained. I lay regularly on the table of another House particulars of the results of working of recently opened lines.

There were also a number of remarks about the construction of locomotives and several Members expressed disappointment. I sincerely share that disappointment, but I cannot agree with the Honourable Pandit Kunzru that we have practically abandoned the scheme. I feel sure that if he knew how great the practical difficulties were at the moment—difficulties in respect of men, for we have been asked to spare men and the country is being scoured for

technical talent, difficulties in respect of materials, because we have had men coming round our workshops and saying "Surely you can spare this or that machine tool to help to make munitions", and difficulties in respect of shops—I think he would realize that this is not the moment at which we are in a position, with the best will in the world, to embark on this big new industry. Pandit Kunzru referred to the very divergent estimates of our future need of locomotives. I have no reason to believe that those divergent estimates do not represent the honest views of the technical officers who supplied the estimates. There is a big margin for difference particularly in one's estimate of locomotive user and the number that we shall require to run the traffic in a few years. But of course every day that passes is going to make the demand for locomotives after the war or even before it greater than it is today and it is fortunate that we have this line offering, because my anticipation is that the end of the war will see a big surplus both of plant and of machinery and of technical skill in this country.

Then there were a number of observations on the subject of State-management of railways. Mr. Kalikar in particular referred to the Acworth Committee and to remarks in a speech of Sir Charles Innes, but I was surprised at the deductions he drew from the remarks that Sir Charles Innes made, because I think if he reads the whole speech he will find it very difficult to extract the conclusion that Sir Charles Innes was a believer in transferring from Company-management to State-management.

THE HONOURABLE MR. V. V. KALIKAR: Sir Charles Innes may not be a believer in transferring railways from Company-management to State-management, but the deduction I drew was that it was the accepted policy of the Government of India to give preference to State-management.

THE HONOURABLE SIR ANDREW CLOW: Sir Charles Innes said:—

"I am not making a statement of policy. I do not wish it to be implied that we are adopting this course because we are convinced that State-management is the best form of management for India".

He referred to certain particular railways, and I think the Honourable Member was rather confused between the idea of transferring management to India and the idea of transferring management to the State, which are two quite different things. Sir Charles Innes contemplated, I think, that we should retain Company-management, but at that time he was thinking of the possibility for some lines of setting up Indian companies. But the Honourable Pandit Kunzru asked dramatically "Has anything happened since then?" A great deal has happened since then. Since then 17 or 18 years have passed—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: To the discredit of State-management?

THE HONOURABLE SIR ANDREW CLOW: With all deference to the Acworth Committee, I should say surely we, Honourable Members of this House and I, are in a better position in many ways than the Acworth Committee was. We have a long experience of State-management and we are entitled to form our own views in the light of that experience. In fact the Honourable Pandit has formed very definite views in the light of that experience, but I am not quite sure that they coincide in all respects with mine. I have noted his remarks on the B. and N.W.R. I felt a little flattered that he was able to de-vote so much of his speech not to alleged shortcomings during the past year but to possible needs in the future. I have not yet seen or had the opportunity of considering the facts in the case of the Railway to which he alluded. The case is being examined with care at the present time.

[Sir Andrew Clow.]

Now, Sir, I should have liked to have left on one side the issue raised by Honourable Members who left the House before I entered, but as nearly every Member has alluded to it and as Sir Muhammad Yakub specially raised the question, I feel it would be discourteous on my part to pass it over without comment, particularly so as Mr. Hossain Imam did me the courtesy of indicating what I take to be the four main grievances under which he feels that the Muslims on the railways are suffering. So I shall endeavour to allude quite briefly to the four points he made. "Firstly", he said, "our grievance is that since the fixation of a communal ratio for direct recruitment to the superior posts Muslims have not received even three-fourths of that quota. The superior posts are all of one class but our quota is fixed in each branch separately and there is no interchange, as is done in the case of Anglo-Indian recruitment". It is true that for causes which have been explained and which are not within my control, the full number of Muslim officers has not been appointed in the past. There has been a small deficiency but I believe the figures for this year are good. But these appointments are filled by the Public Service Commission. This, however, I should make clear, is to the best of my recollection and belief, the first time that I have ever heard the suggestion that there should be some interchange system with a view to securing the full quota of Muslim officers and if that suggestion had been made to me in the past I should have been very ready to consider it. I shall certainly look into the matter now.

"Secondly", he said, "unduly large number of posts are filled by promotion on communal grounds to keep out Muslims. In all civil services there is a fixed percentage between 20 and 33 for promotion. There is no fixed proportion in railways for filling up by promotions". I am afraid I am unable to follow the argument, because I do not believe it is true, having had a long experience of dealing with many departments, that "in all civil services the percentage is between 20 and 33 for promotion". What we do normally is to fill some grades by promotion and others by direct appointment. There is obviously nothing sacrosanct about that and these are always matters which are open to reconsideration in the light of the needs of the services.

"Thirdly", he said, "we do not want 25 per cent. share in the promotions. This is a complete mis-statement. What we demand is 25 per cent. in the total recruitment no matter whether you give it by promotion or by direct recruitment". Here again I am mystified. I do not recollect that I said on any occasion that the Muslims wanted 25 per cent. of promotion. I am not clear what is meant by saying they want 25 per cent. in the total recruitment, "whether by promotion or direct recruitment". The implication it raises to my mind is that they want promotion to be based on communal lines where there is a deficiency in Muslims in the grade. But I may have misinterpreted it and if it will be explained and will not involve basing promotions on communal grounds, I shall be happy to consider the question.

"Fourthly", he said, "we want direct recruitment in the intermediate grades like the lower gazetted staff and have been asking for it since 1931, as will be apparent if the Honourable Member will look up the memorandum which was prepared by his Department in February, 1931". So far as I can ascertain this is the same point as is raised in the second grievance, that there should be a proportion reserved for direct recruitment,—or to put it the other way, that there should be a limitation on the number of posts to be filled by promotions. But here again, I may be in error in interpreting the demand. All I can say is that if this has been going on since 1931, it is a little curious

that I should be accused of communal bias when I was merely continuing the policy of my predecessors.

I will, however, concede this to Mr. Hossain Imam that he did not accuse me of communal bias but painted me as a rather gullible officer who was taken in by the officers responsible. Well, Sir, I can only state my own opinion. I have worked with large numbers of officers and certainly I and all these officers who now work with me are, I know, most solicitous about the carrying out of the policy laid down by Government. We are fully aware of the fact that small minorities of men working largely under officers of another caste or creed may feel in difficulties and may at times be subject to handicaps but we do our best to make allowance for that. I am not prepared to say that there are no officers in the subordinate grades who ever yield to communal bias. No one is perfect. I can only say that, so far as I have looked into personal cases, I can testify to the fact that of the hundreds of officers who have actually worked with me of various castes and creeds, Muslims, Hindus, Christians and others, nearly all brought to their task a genuine desire to carry out the declared policy of the Government and to avoid communal bias. No system is perfect and I can claim no perfection for this system. Mr. D'Souza has recommended certain measures which in his view would make the system more satisfactory and the Railway Board and I are at all times ready to consider any system which will do justice to those in the service and will give a greater measure of justice to those who wish to get in, and which will do something of equal importance, and that is, convince the man that they are getting justice.

I have known Sir Muhammad Yakub for many years. I have had him as a friend, I have had him as a superior officer and I have had him as a colleague. And I am sure that he personally at least knows that, so far from having any bias against his community, I have always made it my care to see that officials of that community get full justice. When I said that I was anxious to see that promotions were not based on communal considerations, I should like to make it clear that I am equally anxious to see that no man of any community is prejudiced because he happens to belong to that community.

The Council then adjourned till Twelve Noon on Wednesday, the 26th February, 1941.

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COUNCIL OF STATE.

Wednesday, 26th February, 1941.

The Council met in the Council Chamber of the Council House at Twelve Noon, the Honourable the President in the Chair.

QUESTIONS AND ANSWERS.

PURCHASE VALUE OF THE B.B. AND C.I.R. AND A.B.R.

22. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja Yuveraj Dutta Singh): Will Government state what amount, if any, they have to pay for terminating the contracts of the Bombay, Baroda and Central India Railway Company and the Assam Bengal Railway Company, and bringing these railways under State-management from 1st January, 1942?

THE HONOURABLE MR. L. WILSON: B.B. and C.I.R.—£2 million (Rs. 2 2/3 crores at 1s. 6d.). In addition Government will assume liability for £1 million 3½ per cent. debentures raised by the Company).

A. B. R.—£1½ million (Rs. 2 crores at 1s. 6d.).

THE HONOURABLE MR. HOSSAIN IMAM: May we ask on what basis this sum has been arrived at, Sir?

THE HONOURABLE MR. L. WILSON: In accordance with the contract.

THE HONOURABLE MR. HOSSAIN IMAM: Was this the amount of the subscribed capital or the value of the assets?

THE HONOURABLE MR. L. WILSON: I require notice of that question, Sir.

AIR MAIL SERVICE BETWEEN THE UNITED KINGDOM AND INDIA.

23. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja Yuveraj Dutta Singh): Is there any proposal to explore the possibility of speeding up the air mail service between England and India; and if so, what is the nature of the proposal, and its main details?

THE HONOURABLE MR. S. N. ROY: The Government of India understand that His Majesty's Government have under consideration measures for speeding up the air mail service between India and the United Kingdom, but they have as yet no specific information about the details.

THE HONOURABLE MR. HOSSAIN IMAM: May we know, Sir, what is the usual time now-a-days for the air mail?

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THE HONOURABLE MR. HOSSAIN IMAM: May we know, Sir, what is the usual time now-a-days for the air mail?

THE HONOURABLE MR. S. N. ROY : It is very difficult to say, Sir. What happens is that the mails to and from Durban go by air and thence by ship. The sailings of ships are uncertain now and the time taken depends on whether the planes make contact with a ship that is sailing immediately or not. In the reverse direction it depends on the sailings from England and the time taken to reach Durban.

FEDERAL COURT.

24. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja Yuveraj Dutta Singh): Is there any proposal before Government to extend with suitable adaptations, if necessary, the jurisdiction of the Federal Court with a view to vest it with powers to hear appeals from High Courts in India in certain specified cases, in order to give relief to the High Courts, and to give more work to the Federal Court? If so, what is the concrete proposal, and will the Central Legislature or public opinion be consulted before Government gives effect to its decision?

THE HONOURABLE MR. E. CONRAN-SMITH : The question of enlarging the appellate jurisdiction of the Federal Court is under the consideration of Government but no final decision has yet been reached. As regards consultation of the Central Legislature and public opinion the Honourable Member's attention is invited to section 206 of the Government of India Act, 1935. Central legislation will be necessary.

THE HONOURABLE MR. HOSSAIN IMAM : May we know, Sir, whether the High Courts were consulted?

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

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : What time are the Government likely to take in considering this question?

THE HONOURABLE MR. E. CONRAN-SMITH : I am afraid I cannot give any estimate, Sir.

THE HONOURABLE MR. HOSSAIN IMAM : May we know if the Calcutta High Court is opposed to this proposal?

THE HONOURABLE MR. E. CONRAN-SMITH : It is not the practice to reveal the opinions received by the Central Government from the authorities whom they consult.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member publish those opinions when he brings forward a Bill for this purpose?

THE HONOURABLE MR. E. CONRAN-SMITH : That also is not customary.

NAMES OF BRANCH RAILWAY LINES DISMANTLED.

25. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja Yuveraj Dutta Singh): Will Government give the names of the branch railway lines with their respective length in miles, which have been dismantled or will be dismantled on account of the war?

THE HONOURABLE MR. L. WILSON : The following railway lines have been or are being dismantled :—

	Length in miles.
1. Dalmau-Daryapur, E. I. R.	14.25
2. Akbarpur-Tanda, E. I. R.	9.98
3. Bijnor-Chandpur Siau, E. I. R.	21.49
✓4. Cocanada-Kotipalle, M. & S. M. R.	28.65
✓5. Shoranur-Nilambur, S. I. R.	41.25
6. Darwha-Pusad, G. I. P. R.	42.80
7. Cawnpore-Khairada, G. I. P. R.	80.75
8. Lyallpur-Jaranwala, N. W. R.	21.17

It is not possible to say at present what other branch lines will be dismantled, as the matter depends on factors which are liable to change.

Apart from the method of obtaining track of a certain kind by the lifting of branch lines, the method of releasing suitable track by means of relaying operations is being actively considered but this method requires time for its fruition. In any case before any branch line is selected for lifting, each case is most carefully considered.

THE HONOURABLE SIR MUHAMMAD YAKUB : Have the Railway Board received any representation on behalf of sugar merchants living near the Chandpur-Siau-Bijnor railway line, Sir?

THE HONOURABLE MR. L. WILSON : The answer is in the affirmative, Sir.

THE HONOURABLE SIR MUHAMMAD YAKUB : Have they given any consideration to their representation and do they consider the desirability of reviewing their judgment to dismantle this line?

THE HONOURABLE MR. L. WILSON : That was given due consideration, Sir, and the line has been dismantled.

THE HONOURABLE MR. HOSSAIN IMAM : May we know if the Provincial Governments were consulted and their agreement taken before these lines were lifted?

THE HONOURABLE MR. L. WILSON : Provincial Governments were in each case consulted.

THE HONOURABLE MR. HOSSAIN IMAM : I had asked whether they consented to these lines being lifted.

THE HONOURABLE THE PRESIDENT : In any case, I suppose the ultimate power is with the Central Government to decide.

THE HONOURABLE MR. HOSSAIN IMAM : We know that, Sir. I do not question the power of the Government. We only want to know whether the Provincial Governments objected to it.

THE HONOURABLE THE PRESIDENT : That is quite different to what you first said. I cannot press the Honourable Member to give a reply.

THE HONOURABLE MR. HOSSAIN IMAM : Did any Provincial Government object to the lifting of these lines ?

THE HONOURABLE THE PRESIDENT (to the Honourable Mr. L. Wilson) : You need reply only if you think it proper. You are not under any obligation to reply to that question.

THE HONOURABLE MR. L. WILSON : I do not intend to disclose what were the opinions given by the Provincial Governments.

PROPAGANDA BY CHRISTIAN MISSIONARIES TO GET THE " SANATAN ADIBASIS " RECORDED AS TRIBAL IN THE PRESENT CENSUS.

26. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja - Yuveraj Dutta Singh) : (a) Has the attention of Government been drawn to a statement published in the *Amrita Bazar Patrika*, dated the 17th December, 1940, that " the Christian missionaries are trying their level best so that the Sanatan Adibasis may be shown in the coming census as having no religion or wild, or tribal, and they are making all-round propaganda and falsely preaching to the ignorant Sanatan Adibasis to get themselves recorded as tribal ? The missionaries have tried and succeeded in getting a very large number of Christians appointed as enumerators and supervisors in the Santhal Parganas in Bihar " ?

(b) How many Christians have been appointed as enumerators and supervisors in the area referred to in (a) ; and what steps have been taken by the census authorities to remove this prevailing impression ?

THE HONOURABLE MR. E. CONRAN-SMITH : (a) No ; as the statement referred to does not seem to have been published in the *Amrita Bazar Patrika*, dated the 17th December, 1940. Certain statements bearing on this subject have, however, appeared in the press. The Government of India believe that communities other than that mentioned by the Honourable Member are also conducting propaganda to influence the religion return of aboriginal tribes. They have no reason to believe that the alleged efforts of missionary bodies are in any way different from or more pronounced than similar activities by other bodies. The Government of India's position is that the questions are asked and the answers recorded.

(b) Enumerators are appointed from all communities according to suitability and convenience and the Government of India see no reason to call for the figures suggested. They are not aware of any impression of the kind.

THE HONOURABLE SIR DAVID DEVADOSS : What is the religion of the Sanatan Adibasis ? Is it Animism ?

THE HONOURABLE MR. E. CONRAN-SMITH : I regret, Sir, I cannot answer that question. I must ask for notice.

NUMBER OF EMPLOYEES (EUROPEANS, HINDUS AND MUSLIMS) IN ISHAPORE AND COSSIPORE FACTORIES.

27. THE HONOURABLE MR. HOSSAIN IMAM : (a) Will Government lay on the table a statement giving the following information in respect of the employees at the Ishapore Factory on the 31st December, 1938, 31st December, 1939, and 31st December, 1940 : the number of Europeans, Hindus and Muslims separately, in each of the following categories, office superintendents, foremen, skilled labour, apprentices and ordinary labour ?

(b) Will Government lay on the table similar information in respect of the Cossipore Factory ?

THE HONOURABLE MR. A. DE C. WILLIAMS : (a) and (b). I place on the table a statement giving the necessary information.

Statement showing the number of employees (Europeans, Hindus and Muslims) in Ishapore and Cossipore Factories as on 31-12-38, 31-12-39 and 31-12-40.

Designation.	Ishapore Factory.						Cossipore Factory.					
	Number of employees on						Number of employees on					
	31-12-38.	31-12-39.	31-12-40.	31-12-38.	31-12-39.	31-12-40.	31-12-38.	31-12-39.	31-12-40.	31-12-38.	31-12-39.	31-12-40.
	E H M	E H M	E H M	E H M	E H M	E H M	E H M	E H M	E H M	E H M	E H M	E H M
Office superintendents.	.. 1 1	.. 1 1	.. 1 1	.. 1 1	.. 1 1	.. 1 1	.. 1 1	.. 1 1	.. 1 1	.. 1 1	.. 1 1	.. 1 1
Foremen	.. 30 1	.. 32 4	.. 37 4	.. 9 ..	.. 10 ..	.. 14 ..	.. 10 ..	.. 15 ..	.. 19 ..	.. 14 ..	.. 15 ..	.. 19 ..
Apprentices	.. 1 28	.. 1 31	.. 36 4	.. 13 ..	.. 176 88	.. 253 143	.. 253 143	.. 253 143	.. 427 202	.. 253 143	.. 253 143	.. 427 202
Skilled labour	.. 1,093 283	.. 1,011 437	.. 1,090 482	.. 959 209	.. 8,113 1,850	.. 4,101 1,542	.. 959 209	.. 8,113 1,850	.. 4,101 1,542	.. 959 209	.. 8,113 1,850	.. 4,101 1,542
Unskilled Labour	.. 2,662 445	.. 6,101 1,330	.. 8,113 1,850	.. 959 209	.. 8,113 1,850	.. 4,101 1,542	.. 959 209	.. 8,113 1,850	.. 4,101 1,542	.. 959 209	.. 8,113 1,850	.. 4,101 1,542

E=Europeans.
H=Hindus.
M=Muslims.

SUPPLY DEPARTMENT.

28. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state whether any change has been made in the Department of Supply, since the reply to question No. 20 on 19th November, 1940 was given? If so, what? Will Government lay a statement on the lines of question No. 20?

THE HONOURABLE MR. A. DEC. WILLIAMS: *Part I.*—Yes.

Part II.—I would draw the Honourable Member's attention to the communiqué, dated the 11th December, 1940 on the subject, a copy of which is in the Library of the House.

Part III.—A statement containing the required information has been laid on the table.

Statement showing the Gazetted Staff employed in the Supply Department (excluding I. S. D., Contracts Directorate and Ordnance Factories).

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S. No.	Name and designation.	Date of appointment.	Salary on which appointment was made.	4	5	6	7	8
				Salary on which Officer occupied before appointment.	Salary drawn just before appointment.	Present salary.	Remarks.	

Main Secretariat.

1	Mr. H. Dow, K. C. S. I., C. I. E., I. C. S., Vice President, War Supply Board.	27-8-39	Rs. 5,000	Secretary, Commerce Department.	Rs. 4,000	Rs. 5,000	Post will be abolished on expiry of leave.	
2	Mr. E. M. Jenkins, C. I. E., I. C. S. Secretary.	1-7-40	Rs. 3,000+S. O. P. £13-6-8.	Chief Commissioner, Delhi.	Rs. 3,000+S. O. P. £13-6-8. T. A. Rs. 300 Compensatory allowance Rs. 250 and free house.	Rs. 3,000+S. O. P. £13-6-8.	S. P.=Special pay. S. O. P.=Sterling Overseas Pay.	
3	Mr. Ghulam Mohammed, Controller General of Purchase.	3-9-40	Rs. 3,000 in the scale of Rs. 3,000—100—3,500.	Chief Controller, Indian Stores Department.	Rs. 3,000 in the scale of Rs. 3,000—100—3,500.	Rs. 3,000 in the scale of Rs. 3,000—100—3,500.	P. P.=Personnel Pay. D. A.=Duty allowance.	
4	Mr. J. A. Mackeown, I. C. S., Deputy Secretary.	25-9-39	Rs. 1,600 in the senior time scale of the I. C. S. +S. O. P. £30 +S. P. 400.	Deputy Secretary, Legislative Department.	Rs. 1,600 in the senior time scale of the I. C. S. +S. O. P. £30 +S. P. Rs. 400.	Rs. *1,800 in the senior time scale of the I. C. S. +S. O. P. £30 +S. P. 400.		
5	Mr. M. Ikramullah, I. C. S., Deputy Secretary.	2-2-40	Rs. 1,500 in the senior time scale of the I. C. S. +S. P. Rs. 400.	Deputy Trade Commissioner, London.	Rs. 1,500 in the senior time scale of the I. C. S.	Rs. *1,600 in the senior time scale of the I. C. S. +S. P. Rs. 400.		

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6	Mr. S. R. Zaman, I. C. S., Deputy Secretary.	20-7-40	Rs. 2,150 in the senior time scale of the I. C. S. +S. P. Rs. 400.	District Magistrate, Patna.	Rs. 2,050 in the senior time scale of the I. C. S.	Rs. *2,150 in the senior time scale of the I. C. S. +S. P. Rs. 400.		
7	Mr. H. M. Patel, I. C. S., Deputy Secretary.	9-9-40	Rs. 1,500 in the senior time scale of the I. C. S. +S. P. Rs. 400.	Deputy Indian Trade Commissioner, London.	Rs. 1,500 in the senior time scale of the I. C. S.	Rs. *1,600 in the senior time scale of the I. C. S. +S. P. Rs. 400.		
8	Mr. S. Bhoothalingam, I. C. S., Under Secretary.	2-1-40	Rs. 1,200 in the senior time scale of the I. C. S. +S. P. Rs. 150.	Sub-Controller and Joint Magistrate, Madanapalle Division, Madras.	Rs. 900 in the junior time scale of I. C. S. + Rs. 300 Off. pay.	Rs. *1,275 in the senior time scale of the I. C. S. +S. P. Rs. 150.		
9	Mr. G. Corley-Smith, M. B. E., Under Secretary.	17-7-40	Rs. 1,300 (Rs. 1,250+S. P. Rs. 50).	Asstt. Collector of Customs, Bombay.	Rs. 1,250 + S. P. 150.	Rs. *1,250 + S. P. Rs. 50.		
10	Rai Sahib Dip Chand, Under Secretary.	29-9-39	Rs. 1,200	Administrative Officer, Office of the Controller of Broadcasting, All India Radio.	Rs. 1,000	Rs. 1,200.		
11	Mr. J. Byrne, Assistant Secretary.	26-8-39	Rs. 1,000 in the scale of 1,000—50—1,250.	Chief Supdt., Office of the P. S. O. C. (I.).	Rs. 580 in the scale of 500—40—700 plus S. P. Rs. 100.	Rs. *1,050 in the scale of Rs. 1,000—50—1,250.		
12	Mr. F. H. T. Ward, Assistant Secretary (M. P. Branch).	10-9-40	Rs. 1,000 in the scale of Rs. 1,000—50—1,250.	Superintendent, Home Department.	Rs. 800 in the scale of 600—40—800.	Rs. 1,000 in the scale of 1,000—50—1,250.		
13	R. B. S. K. Bannerjee, Officer on Special Duty.	22-4-40	Rs. 500 plus pension.	Retired Assistant Secretary.	Rs. 500 plus pension.	Rs. 500 plus pension.		

*Increase on pay shown in column 4 due to annual increment in scale pay.

QUESTIONS AND ANSWERS.

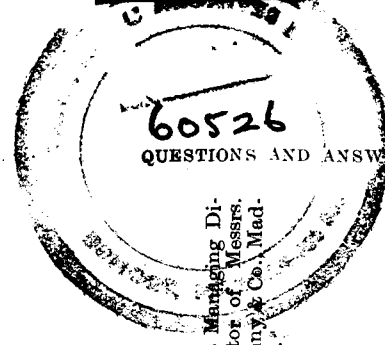
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Statement showing the Gazetted Staff employed in the Supply Department (excluding I. S. D., Contracts Directorate and Ordnance Factories)—contd.

S. No.	Name and designation.	Date of appointment.	Salary on which appointment was made.	Position which the Officer occupied before appointment.	Salary drawn just before appointment.	Present salary.	Remarks.
1	2	3	4	5	6	7	8
14	Lt. Col. T. H. Battiye, Director of Statistics.	26-8-39	Rs. 1,325 plus pension of £734 per year.	Secretary, P. S. O. C. (1).	Rs. 1,325 plus pension of £734 per year.	Rs. 1,325 plus pension of £734 per year.	
15	Mr. S. N. Mitter, Assistant Director of Statistics.	23-8-40	Rs. 500	Accountant, Grade I, E. I. R.	Rs. 450 in the scale of Rs. 290—20—450.	Rs. 500.	
16	2nd Lieut. D. V. David, Officer on Special Duty.	7-12-40	Rs. 300+Emergency Allowance Rs. 65, Corps Allowance Rs. 40.	Attached Officer in the Contracts Directorate.	Rs. 300+Emergency Allowance Rs. 65, Corps Allowance Rs. 40.	Rs. 300+Emergency Allowance Rs. 65, Corps Allowance Rs. 40.	
17	Mr. C. J. Rusby, Superintendent.	26-8-39	Rs. 600 in the scale 600—40—800.	Senior Assistant, Office of P. S. O. C. (1).	Rs. 272 in the scale 200—12—440 plus 1/6th of pay as duty allowance.	Rs. *640 in the scale of 600—40—800.	
18	Mr. Mohd. Abdullah, Superintendent.	12-3-40	Rs. 600 in the scale 600—40—800.	Superintendent, Office of D. C., Gurdaspur.	Rs. 350 in the scale 250—20—350.	Rs. 600 in the scale 600—40—800.	
19	Mr. A. R. Kapur, Superintendent.	19-7-40	Rs. 600 in the scale 600—40—800.	Assistant, Defence Department.	Rs. 470 in the scale 200—15—500.	Rs. 600 in the scale 600—40—800.	
20	Mr. Shiv Dev Singh, Superintendent.	1-7-40	Rs. 600 in the scale 600—40—800.	Assistant-in-Charge.	Rs. 285	Rs. 600 in the scale 600—40—800.	

Director General of Supply.

1	Brigadier E. Wood, M. C. Director General.	8-9-39	Rs. 3,000 S. O. P. £13-6-8.	Officer Commanding 2/7th Rajput Regiment.	Rs. 2,070	Rs. 3,000 plus S. O. P. £13-6-8.	
2	Mr. R. W. Targett, Deputy Director General (I).	1-3-40	Rs. 3,500	Chief Controller, Indian Stores Department.	Rs. 3,200 in the scale 3,000—100—3,500.	Rs. 3,500.	
3	Mr. L. Mason, C. I. E., O. B. E., M. C., I. F. S., Deputy Director General (II).	10-4-40	Rs. 3,250	Inspector General of Forests and President Forest Research Institute, Dehra Dun.	Rs. 3,250	Rs. 3,000	
4	Mr. D. M. Passmore, Director of Textiles.	11-10-39	Rs. 2,250	In business	Previous emoluments not less than present salary.	Rs. 2,250	Was Managing Director of Messrs. Binny & Co., Madras.
5	Mr. D. Stewart, O. B. E., I. F. S., Director, Timber Supplies.	1-5-40	Rs. 1,950 plus S. O. P. £13-6-8.	Joint Timber Advisory Officer, Railway and Defence Departments.	Rs. 1,350 plus S. P. Rs. 177-12-0 S. O. P. £30.	Rs. 1,950 in the scale 1,750—100—2,150 plus S. O. P. £13-6-8.	
6	Mr. A. E. Hampson, Director, Miscellaneous Stores.	24-6-40	Rs. 1,500	In business	Previous emoluments considerably more than present pay.	Rs. 1,500	Was sales Manager of Messrs. Jenson & Nicholson (India) Limited, Calcutta.
7	*Col. F. P. J. Williams, Director of Clothing.	1-7-40	Rs. 2,205	Director of Clothing, Master General of the Ordnance Branch.	Rs. 2,205	Rs. 2,205	



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Statement showing the Gazetted Staff employed in the Supply Department (excluding I. S. D., Contracts Directorate and Ordnance Factories)—contd.

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S. No.	Name and designation.	Date of appointment.	Salary on which appointment was made.	4	5	6	7	8
					Position which the Officer occupied before appointment.	Salary drawn just before appointment.	Present salary.	Remarks.
1		3						
8	*Mr. R. Wilnot, M. C., E. D., Director, Leather Manufactures.	1-7-40	Rs. 1,750 plus S. O. P. £30.		Director, Leather Manufactures, Master General, of the Ordnance Branch.	Rs. 1,750 plus S. O. P. £30.	Rs. 1,750 plus S. O. P. £30.	
9	Major E. C. Ormond, (Reserve Officer) Director, Co-ordination.	24-6-40	Rs. 1,530		Direct from Civil Life.	Income consider-ably in excess of his present emoluments.	Rs. 1,530	Was a practising Barrister-at-Law.
10	*Col. S. M. Cookson I. A., Director, Food-stuffs.	12-12-40	Rs. 1,955. Lodging Allowance Rs. 170, Marriage Allowance Rs. 80.		Deputy Director, Supply and Transport, Eastern Command.	Rs. 1,955. Lodging Allowance Rs. 170, Marriage Allowance Rs. 80.		
11	*Lt.-Col. E. Bader, Director, Vehicles.	6-1-41	Rs. 2,260 (Provisional).		Assistant Director of Mechanisation, Army Head Quarters.	Rs. 2,045 . . . Rs. 2,260 (Provisional).		
12	Mr. W. E. Flewett, I. F. S., Deputy Director (Inspection) Timber Directorate.	17-9-39	Rs. 1,750+S. P. Rs. 300.		Chief Timber Inspection Officer.	Rs. 1,350+S. P. Rs. 300. S. O. P. £30.	Rs. 1,750 S. P. Rs. 300.	
13	Mr. P. R. Crenar, Deputy Director, Chemicals.	26-8-39	Rs. 1,200 in the scale of Rs. 1,200—100—1,600.		Assistant Technical Officer, P. S. O. C. (I).	Rs. 1,200 in the scale of Rs. 1,200—100—1,600.	Rs. 1,500.	
14	Mr. J. Walker, Deputy Director, Timber.	19-6-40	Rs. 1,250+S. P. 250+S. O. P. £30.		Divisional Forest Officer, Belgau.	Rs. 1,250 S. O. P. £30.	Rs. 1,300+S. P. 250, S. O. P. £30.	
15	Mr. V. S. Kuppaswami, I. F. S., Deputy Director (Timber).	4-10-40	Rs. 1,100+S. P. Rs. 150.		Deputy Conservator of Forests, Madras.	Rs. 1,100 in the scale Rs. 575—1,350.	Rs. 1,150 S. P. Rs. 150.	
16	Mr. M. V. Lauri, Deputy Director, Timber.	11-11-40	Rs. 1,000+S. P. Rs. 150. S. O. P. £30.		Silviculturist, Forest Research Institute, Dehra Dun.	Rs. 1,000+S. O. P. Rs. 150, S. P. Rs. 150.	Rs. 1,050+S. O. P. Rs. 150.	
17	Major J. Bleek, Deputy Director, Leather Manufactures.	22-8-40	Rs. 1,430		Deputy Assistant Director of Contracts.	Rs. 1,430 . . . Rs. 1,430.		
18	Mr. W. J. Oakley, Deputy Director (Textiles).	3-10-40	Rs. 1,500		From business . . . Average earning not less than Rs. 1,250 (including perquisites e.g., commission etc.).	Average earning not less than Rs. 1,250 (including perquisites e.g., commission etc.).	Rs. 1,500.	
19	Mr. A. G. R. Horton Bennett, O. B. E., I. O. S., Superintendent of Clothing Production.	1-7-40	Rs. 1,550+S. P. Rs. 200, S. O. P. £30.		Superintendent, Clothing Production.	Rs. 1,550+S. P. Rs. 200, S. O. P. £30.	Rs. 1,550+S. P. Rs. 200, S. O. P. £30.	
20	R. B. Kirpa Ram, Assistant Superintendent of Clothing Production.	4-11-40	Rs. 1,800		Deputy Director of Intelligence and Administration, Indian Stores Department.	Rs. 1,800 in the scale of Rs. 1,500—75—1,800.	Rs. 1,800.	
21	*Lt.-Col. A. A. Dean, Assistant Superintendent of Clothing Production.	13-11-40	Rs. 2,130		Deputy Assistant Director of Ordnance Factories, M. G. O.	Rs. 1,530 . . . Rs. 2,130.		
22	Mr. S. K. Chaudhuri, Assistant Director, Textiles.	24-4-40	Rs. 800		In business . . . Average monthly income about Rs. 1,000.	Average monthly income about Rs. 1,000.	Rs. 800.	

Statement showing the Gazetted Staff employed in the Supply Department (excluding I. S. D., Contracts Directorate and Ordnance Factories)—contd.

S. No.	Name and designation.	Date of appointment.	Salary on which appointment was made.	Position which the Officer occupied before appointment.	Salary drawn just before appointment.	Present salary.	Remarks.
1	2	3	4	5	6	7	8
23	Mr. L. Knibb, Assistant Director, Textiles.	12-6-40	Rs. 900	In business	Total earnings approximately the same as pay now drawn.	Rs. 900.	
24	Mr. P. N. Suri, Assistant Director, Timber.	7-6-40	Rs. 700 + Rs. 150.	S. P. Provincial Forest Service, Punjab.	Rs. 700 in the scale of Rs. 250—750. S. P. Rs. 150.	Rs. 725 + S. P.	
25	Rai Sahib Bishamber Dass, Assistant Director, Miscellaneous Stores.	16-10-40	Rs. 800 + Rs. 200.	S. P. Officiating Assistant Financial Adviser, Military Finance.	Rs. 1,000 in the scale 1,000—50—1,250.	Rs. 800 + S. P. Rs. 200.	
26	Dr. L. A. Bhatt, Assistant Director, Chemicals.	7-1-41	Rs. 370 + S. Rs. 100.	P. Chemist, Inspector of Stores & Clothing, Cawnpore.	Rs. 370	Rs. 370 + S. P. Rs. 100.	
27	*Mr. Mohd. Shaffi, Technical Officer, Clothing.	1-7-40	Rs. 700	Technical Officer, Master General of the Ordnance Branch.	Rs. 700	Rs. 700.	
28	Mr. S. S. Venkatakrishnan, Technical Assistant.	1-1-40	Rs. 250 in the scale Rs. 250—275.	the Direct from Civil scale Rs. 250—25—Life.	Rs. 250	Rs. 250.	
29	Mr. N. K. Thadani, Technical Assistant.	24-6-40	Rs. 250	in the Direct from Civil scale Rs. 250—25—Life.	Rs. 250	Rs. 250.	
30	Mr. T. V. Siva, Superintendent.	8-9-39	Rs. 500 in the scale Rs. 500—600.	the Clerk in the Upper Division, C. E. Office.	Rs. 175 in the scale Rs. 125—10—175 + 12-8-0 as duty allowance.	Rs. 520.	
<i>Directorate General, Munitions Production.</i>							
1	Sir Guthrie Russell, K. C. I. E., D. G. M. P.	16-7-40	Rs. 5,000	Chief Commissioner Railways.	Rs. 5,000	Rs. 5,000.	
2	*Mr. G. S. Butler, C. I. E., D. D. G., A. P.	1-7-40	Rs. 2,750	D. O. F. A. H. Q.	Rs. 2,350 + S. O. P. Rs. 2,750.	Rs. 2,750.	
3	Mr. F. G. S. Martin, D. D. G. (E).	22-8-40	Rs. 2,750 + £13-6-8	Controller of Supplies.	Rs. 2,750 + S. O. P. Rs. 2,750 + S. O. P. £13-6-8.	Rs. 2,750 + S. O. P. £13-6-8.	
4	Mr. G. A. R. Trimming, D. D. G. M. T. & Cr. of M. T.	17-1-41	Rs. 3,000 + £13-6-8	Chief Controller, Standardization, Railway Board.	Rs. 3,000 + S. O. P. Rs. 3,000 + S. O. P. £13-6-8.	Rs. 3,000 + S. O. P. £13-6-8.	
5	*Mr. T. F. Borwick, C. I. E., D. S. O.	1-7-40	Rs. 2,350 + £13-6-8.	D. D. O. F., A. H. Q.	Rs. 1,750 + S. O. P. Rs. 2,350 + S. O. P. £13-6-8.	Rs. 2,350 + S. O. P. £13-6-8.	
6	Mr. R. C. Case, I. S. R., D. C. P.	3-7-40	Rs. 1,950 + S. P. 800 + £13-6-8.	C. M. E., G. I. P. Railway, Bombay	Rs. 1,950 + S. P. Rs. 800 + S. O. P. £13-6-8.	Rs. 1,950 + S. P. Rs. 800 + S. O. P. £13-6-8.	
7	Mr. J. Humphries, Dir. of Engineering.	15-7-40	Rs. 2,500 + £13-6-8	Dir. Mech. Engineering, Rly. Board.	Rs. 2,500 + S. O. P. Rs. 2,500 + S. O. P. £13-6-8.	Rs. 2,500 + S. O. P. £13-6-8.	
8	Mr. R. A. MacGregor, Director of Metals.	29-7-40	Rs. 2,000 + S. P. Rs. 350.	Metallurgical Inspector, Tata Nagar, I. S. D.	Rs. 2,000 + S. P. Rs. 350.	Rs. 2,500.	

Statement showing the Gazetted Staff employed in the Supply Department (excluding I. S. D., Contracts Directorate and Ordnance Factories)—contd.

S. No.	Name and designation.	Date of appointment.	Salary on which appointment was made.	Position which the Officer occupied before appointment.	Salary drawn just before appointment.	Present salary.	Remarks.
1	2	3	4	5	6	7	8
9	Engr. Comdr. J. Beggs, Director of Shipbuilding.	19-9-40	Rs. 1,830	Retd. R. I. N.	Rs. 1,830	Rs. 1,830.	
10	Mr. G. H. Welford, Dir. Civil Production.	22-1-41	Pay not fixed	Suptd. G. & S. Factory.	Rs. 1,750+S. O. P. £30.	Under consideration.	
11	Mr. C. W. Budd, Dir., M. T.	1-2-41	Rs. 2,000	New employee	Approximately the same as now.	Rs. 2,000.	
12	*Lt.-Col. M. H. Cox, Dir. of Fy. Expn.	1-7-40	Rs. 2,230	Asst. Dr. of Ord. Fy. M. G. O's A. H. Q.	Rs. 2,230	Rs. 2,230.	
13	Mr. S. M. K. Alvi, Dy. Dir. of Metals (Steel Control Office).	8-6-40	Rs. 375+S. Rs. 100.	Asstt. Engineer, I. S. D. (Inspection).	Rs. 375	Rs. 375+S. Rs. 175.	
14	*Mr. R. K. Innes, D. D., C. P.	1-7-40	Rs. 1,350+£30	A. D. O. F. A. H. Q.	Rs. 1,350+S. O. P. £30.	Rs. 1,350+S. O. P. £30.	
15	Mr. H. Sparrow, Dy. Dir. of Engineering.	17-6-40	Rs. 975+ Offg. pay Rs. 50+S. P. Rs. 250+£30.	Senior Assistant, Technical, N. W. R.	Rs. 975+ Offg. pay Rs. 50+S. O. P. £30.	Rs. 975+ Offg. pay Rs. 50+S. P. Rs. 250+S. O. P. £30.	
16	Mr. J. R. Walton, Dy. Dir. of Steel.	15-7-40	Rs. 500	Private employee	Rs. 500	Rs. 500.	
17	Mr. S. W. White, Dy. Dir. of Engineering.	2-11-40	Rs. 1,000	Retired Officer (Re-employed).	Was drawing considerably more as Bridge Engr. E. I. R. than present salary.	Rs. 1,000.	
18	Mr. J. Oswald, Deputy Director of Engineering.	12-8-40	Rs. 1,000	New employee	Rs. 1,700	Rs. 1,000.	
19	Mr. P. C. Mukerjee, Deputy Director of Engineering.	29-8-40	Rs. 1,025	I. R. S. E., E. I. R.	Rs. 1,025	Rs. 1,025.	
20	Mr. A. Paxton, Deputy Director of Shipbuilding.	13-1-41	Rs. 1,200	New employee	Rs. 1,050+ free quarters paying nominal rent of Rs. 75.	Rs. 1,200.	
21	Mr. G. C. Mills, Deputy Director of Metals.	23-9-40	Rs. 1,350+£30	Analytical Chemist and Metallurgist, M. S. M. Rly.	Rs. 1,350+S. O. P. £30.	Rs. 1,350+S. O. P. £30.	
21(a)	Mr. J. Hodgkinson, Deputy Director, M. T.	1-2-41	Rs. 1,500	New employee	Approximately the same as now.	Rs. 1,500.	
22	Mr. R. J. Dunderdale, A. D. O. F. (Admn.).	10-8-40	Rs. 1,750+£30	Suptd., Metal and Steel Factory.	Rs. 1,750+S. O. P. £30.	Rs. 1,750+S. O. P. £30.	
23	Mr. J. B. Durning, I. O. S., A. D. C. P.	1-8-40	Rs. 1,350+£30.	Works Manager, Gun and Shell Factory.	Rs. 1,250+S. O. P. £30.	Rs. 1,350+S. O. P. £30.	
24	*Mr. F. C. Foreman, A. D. O. F.	1-7-40	Rs. 1,450+£30	A. D. O. F.	Rs. 1,450+S. O. P. £30.	Rs. 1,450+S. O. P. £30.	
25	Mr. R. C. Frain, M. C., I. P. O., Main Office.	26-7-40	Rs. 1,250+£30.	Works Manager, Metal and Steel Fy.	Rs. 1,250+S. O. P. £30.	Rs. 1,250+S. O. P. £30.	
26	*Mr. C. W. Clarke, Industrial Planning Officer.	1-7-40	Rs. 1,350+£30	Civil Engineer Advisor to D. O. F.	Rs. 1,350+S. O. P. £30.	Rs. 1,350+S. O. P. £30.	

Statement showing the Gazetted Staff employed in the Supply Department (excluding I. S. D., Contracts Directorate and Ordnance Factories)—contd.

S. No.	Name and designation.	Date of appointment.	Salary on which appointment was made.	Position which the Officer occupied before appointment.	Salary drawn just before appointment.	Present salary.	Remarks.
1	2	3	4	5	6	7	8
27	* Mr. E. W. F. Johnson, Industrial Planning Officer.	1-7-40	Rs. 1,100 + Rs. 150 D. A. + £30.	Production Engineer.	Rs. 1,100 D. A. Rs. 150 + S. O. P. £30.	Rs. 1,100 D. A. Rs. 150 + S. O. P. £30.	
28	Mr. T. D. Welby, I. P. O., Bengal Circle.	3-7-40	Rs. 850 + D. A. Rs. 100 + L. A. Rs. 50 + £30.	Works, Manager, Aluminium Co.	Rs. 1,361	Rs. 850 + D. A. Rs. 100 + L. A. Rs. 50 + S. O. P. £30.	
29	Mr. W. H. Abel, I. P. O., Punjab Circle.	23-10-40	Rs. 960 + S. P. Rs. 100 + £25.	Chief Inspector of Factories, Punjab.	Rs. 960 + S. O. P. £25.	Rs. 960 + S. P. Rs. 100 + S. O. P. £25.	
29(a)	Mr. F. A. Stott, Ind. P. Officer.	1-7-40	Rs. 850 + £30 + Rs. 100 D. A.	A. W. Manager, Or. Factories.	Rs. 850 + £30 + Rs. 100 D. A.	Rs. 850 + £30 + Rs. 100 D. A.	
30	* Major G. B. Vincomb, I. A. O. C., A. I. P. O.	1-7-40	Rs. 1,530	A. C. E. A. to D. O. F. A. H. Q.	Rs. 1,530	Rs. 1,530	
31	Mr. J. M. Smith, A. I. P. O.	30-9-40	Rs. 1,000	New employee	..	Rs. 1,000	
32	Mr. J. Atken, A. I. P. O.	14-8-40	Rs. 600 + £25	A. W. M., Rifle Fy.	Rs. 600 + S. O. P. £25.	Rs. 600 + S. O. P. £25.	
33	Mr. A. D. Wilks, I. P. O.	21-10-40	Rs. 600 + £25	A. W. M. M. & S. Fy.	Rs. 600 + S. O. P. £25.	Rs. 600 + S. O. P. £25.	
34	Mr. G. Richards, A. I. P. O.	19-8-40	Rs. 675	Foreman, G. & S. Fy.	Rs. 675	Under consideration.	
35	Mr. M. A. Cook, A. I. P. O.	30-11-40	Rs. 675	Foreman, G. & S. Fy.	Rs. 675	Under consideration.	
36	Mr. V. S. Chopra, A. I. P. O. (Under training).	12-10-40	Rs. 375	Loco & Carr. Dept., B. B. & C. I. Rly.	Rs. 375	Under consideration.	
37	Mr. A. H. Marley, A. I. P. O. (Under training).	29-10-40	Rs. 525	Asst. Suptd. Rolling Stock, E. I. R.	Rs. 525	Under consideration.	
38	Mr. W. C. Blackeney, Britter (Under training).	25-11-40	Rs. 475	Asst. Loco. Suptd., E. B. Rly.	Rs. 475	Under consideration.	
39	Mr. G. E. Hoare, A. I. P. O., Punjab Circle.	18-9-40	Rs. 800 + S. Rs. 160.	Officer from Mech. Section from N. W. R.	Rs. 800	Rs. 800 + S. P. Rs. 160.	
40	* Mr. K. H. T. Gilbertson, C. E. A. to D. O. F.	1-7-40	Rs. 1,350 + £30	Civil Engineer Adviser to A. D. O. F.	Rs. 1,350 + S. O. P. £30.	Rs. 1,350 + S. O. P. £30.	
41	* Mr. C. C. Meadmore, Civil Engineer Adviser to the Director of Ordnance Fs. (Expn.).	1-7-40	Rs. 950 + £30 + Rs. 100 D. A.	C. E. A. to the D. O. F.	Rs. 950 + S. O. P. £30 + D. A. Rs. 100.	Rs. 950 + S. O. P. £30 + D. A. Rs. 100.	
42	* Mr. A. D. McClancy, A. C. E. A. to the D. O. F.	1-7-40	Rs. 700 + £25.	Assistant Engineer Adviser to the D. O. F.	Rs. 700 + S. O. P. £25.	Rs. 700 + S. O. P. £25.	
43	* Mr. A. M. Leiper, Assistant Engineer Adviser to the D. O. F. (Expn.).	1-7-40	Rs. 650 + £. 25 + Rs. 100 D. A.	A. E. A. to D. O. F.	Rs. 650 + S. O. P. £25 + D. A. Rs. 100.	Rs. 650 + S. O. P. £25 + D. A. Rs. 100.	

Statement showing the Gazetted Staff employed in the Supply Department (excluding I. S. D. Contracts Directorate and Ordnance Factories)—contd.

S. No.	Name and designation.	Date of appointment.	Salary on which appointment was made.	Position which the Officer occupied before appointment.	Salary drawn just before appointment.	Present salary.	Remarks.
1	2	3	4	5	6	7	8
44	* Mr. A. B. James, A. E. A. to D. O. F. (Expn.).	1-7-40	Rs. 600 + £25 + Rs. 100 D. A.	A. E. A. to D. O. (Expn.).	Rs. 600 + S. O. P. £25 + D. A. Rs. 100.	Rs. 600 + S. O. P. £25 + D. A. Rs. 100.	
45	* Mr. G. H. Whyte, A. C. E. A. to D. O. F.	1-7-40	Rs. 600 + £25 + Rs. 100 D. A.	A. C. E. A. to D. O. F.	Rs. 600 + S. O. P. £25 + D. A. Rs. 100.	Rs. 600 + S. O. P. £25 + D. A. Rs. 100.	
46	Lt.-Col. J. J. L. MacKirdy, O.S.D.	3-12-40	Rs. 2,045	D. A. M. G. O. A. H. Q.	Rs. 1,530	Rs. 2,045.	
47	Mr. W. L. D. Martyn, O.S.D.	22-7-40	Rs. 925 + Rs. 100 Offg. pay + £30.	Offg. D. E. N., N. W. R.	Rs. 925 + S. O. P. £30.	Rs. 925 + Rs. 100 Offg. pay + £30.	
48	* Mr. Madhusudan Singh, Officer Supervisor.	1-7-40	Rs. 900	Officer Supervisor	Rs. 900	Rs. 900.	
49	* Mr. C. E. Jolly, Officer Supervisor.	1-7-40	Rs. 1,100	Officer Supervisor	Rs. 1,100	Rs. 1,100.	
50	Mr. G. V. Dorsey, Office Superintendent.	26-8-40	Rs. 600	P. A. to the Controller of Supplies, Bengal.	Rs. 600	Rs. 600.	
51	* Mr. H. I. Mathews, M.C., Co-ordn. Officer.	1-7-40	Rs. 1,750 + £30	A. D. O. F., A. H. Q.	Rs. 1,750 + S. O. P. £30.	Rs. 1,750 + S. O. P. £30.	
52	* Major W. J. K. Viney, R. A. O. C., Assistant Co-ordn. Officer.	1-7-40	Rs. 1,530	A. C. E. A. to D. O. F., A. H. Q.	Rs. 1,530	Rs. 1,530.	
53	* Col. F. B. Pigott, Chief Engr. Fys.	15-8-40	Rs. 2,305	S.O.R.E. (F) (I) E.-in-C.'s Branch.	Rs. 2,260	Rs. 2,305.	
54	* Major I. H. F. Boyd, R.E., S.O.R.E. (II).	15-8-40	Rs. 1,195	S.O.R.E. (F)(III) E.-in-C.'s Branch.	Rs. 1,195	Rs. 1,620.	
55	* Lieut. A. N. Daniell, I.R.E.M. (F.).	15-8-40	Rs. 760	I. R. E. M. E.-in-C.'s Branch.	Rs. 760	Rs. 760.	
56	2/Lt. J. F. Bagnal, S.O.R.E. (III).	22-12-40	Pay not fixed	Private employee	Not known	Under consideration.	
57	Mr. N. Hackney, I.S.R., Devlt. Officer.	2-7-40	Rs. 1,300 + P. P. Rs. 75 + £30.	Metallurgist, N. W. R.	Rs. 1,300 + P. P. Rs. 75 + S. O. P. £30.	Rs. 1,300 + P. P. Rs. 75 + S. O. P. £30.	
58	* Mr. T. A. Miller, Surveyor of Works.	15-10-40	Rs. 450 + £20	S. of W.	Rs. 450 + S. O. P. £20.	Rs. 450 + S. O. P. £20.	
59	Mr. L. A. Hoyle, Works Manager, Kanchrapara.	7-11-40	Rs. 1,950 + £13-6-8	Traction Superintendent, G. I. P. Railway.	Rs. 1,950 + S. O. P. £13-6-8.	Under consideration.	
60	Mr. R. W. Moon, A. W. M., Kanchrapara.	10-10-40	Rs. 600 + £25 (Provisional).	Foreman, G. C. Factory, Jubbulpore.	Rs. 675	Under consideration.	
61	Mr. H. M. Mathews, Electrical Commissioner with the Government of India.	14-1-41	Rs. 3,000 + £13-6-8	Officer on the Roger Mission.	Average per annum about £1,750.	Rs. 3,000 + S. O. P. £13-6-8.	
62	Mr. A. J. Cunningham, Accounts Officer, Civil Production.	4-2-41	Rs. 700—50—1,000.	Accounts Officer, E. I. Railway.	Rs. 700—50—1,000.	Rs. 700—50—1,000.	

NOTE.—* Officers transferred from the M. G. O. Branch and E.-in-C.'s Branch (Defence Department) to the Department of Supply for the duration of the war.

The rates of pay mentioned above are exclusive of Calcutta compensatory allowance and H. R. allowance.

Statement showing the Gazetted Staff employed in the Supply Department (excluding I. S. D., Contracts Directorate and Ordnance Factories)—contd.

S. No.	Name and designation.	Date of appointment.	Salary on which appointment was made.	Position which the Officer occupied before appointment.	Salary drawn just before appointment.	Present salary.	Remarks.
1	2	3	4	5	6	7	8
<i>Mica Organisations.</i>							
1	Mr. J. Podger, Mica Inspector.	18-1-40	Rs. 1,500	Private employ-ment.	Not known	Rs. 1,500.	
2	Mr. W. J. U. Turnbull, Mica Examiner.	16-5-40	Rs. 500	Ditto	Ditto	Rs. 500.	
3	Rai Sahib B. C. Mukheri, Additional Mica Inspector.	24-12-40	Grade pay+S. P. Rs. 300	Deputy Collector and Deputy Magistrate, Gaya.	Grade pay Rs. 500	Rs. 800.	
<i>Controllers of Supplies.</i>							
1	Lieut.-Col. J. R. Marriott, Controller of Supplies, Bengal, Calcutta.	22-7-40	Rs. 2,150	Deputy Director, Indents and Priority.	Rs. 1,530	Rs. 2,150.	
2	Mr. G. E. Bennett, Controller of Supplies, Bombay.	10-6-40	Rs. 1,950	Chief Engineer, Bombay Port Trust (Retired).	Rs. 3,000 on retirement.	Rs. 1,950.	
3	Mr. E. M. Souter, Controller of Supplies, United Provinces, Cawnpore.	19-6-40	Rs. 2,500	In business	Rs. 2,500	Rs. 2,500.	
4	Mr. M. A. Sreenivasan, Controller of Supplies, Madras.	24-6-40	Rs. 1,600	Mysore State servant.	Rs. 1,300	Rs. 1,600.	
5	Ch. Bashir Ahmad, Controller of Supplies, Punjab, Lahore.	5-7-40	Rs. 1,000	P. C. S. (Judicial Branch).	Rs. 540	Rs. 1,000.	
6	Mr. S. C. C. Latif, Controller of Supplies, Sind, Karachi.	17-7-40	Rs. 1,150 in the scale of Rs. 1,000—50—1,200+S. P. Rs. 250.	Indian Stores Department Officer.	Rs. 1,150	Rs. 1,150 in the scale of Rs. 1,000—50—1,200+S. P. Rs. 250.	
7	Mr. E. C. Forbes, Deputy Adviser to Government, Woollen Industry, Cawnpore.	7-1-40	Rs. 2,000	Private employ-ment.	Income not less than his present salary under Government.	Rs. 2,000.	
8	Mr. J. A. Stuart Williams, Assistant to the Adviser on Engineering Supplies, Calcutta.	1-2-40	Rs. 1,000	Private employ-ment.	Rs. 1,000	Rs. 1,200.	
9	Mr. S. M. Homair, Personal Assistant to the Controller of Supplies, Bengal.	26-8-40	Rs. 450	Superintendent, Controller of Supplies, Bengal Circle.	Rs. 390	Rs. 450	(Fired).
10	Mr. P. A. Davies, Personal Assistant to the Controller of Supplies, Bombay.	1-8-40	Rs. 500	Deputy Docks Manager, Bombay Port Trust.	Rs. 1,350	Rs. 500.	

S. No.	Name and designation.	Date of appointment.	Salary on which appointment was made.	Position which the Officer occupied before appointment.	Salary drawn just before appointment.	Present salary.	Remarks.
1							
11	Mr. C. V. Kinsville, Personal Assistant to the Controller of Supplies, United Provinces.	12-8-40	Rs. 400	Assistant Secretary (U. P. Government).	Rs. 1,100	Rs. 400	Worked in an Honorary capacity up to 26th November 1940, thereafter he was granted Rs. 400 a month plus his pension from U. P. Government.
12	Mr. J. L. Chopra, Technical Assistant to the Controller of Supplies, Bombay.	21-12-40	Rs. 350	Examiner (Indian Stores Department).	Rs. 200	Rs. 350.	

SUPPLY DEPARTMENT.

29. THE HONOURABLE MR. HOSSAIN IMAM: Will Government give the following information in respect of the officers directly recruited in the Supply Department from private life, since its formation up to 15th February, 1941: the date of appointment, name, nationality, province of origin; actual pay, or income-tax assessment of monthly income on the day of appointment to the Supply Department (including I. S. D.) and the pay on 1st February, 1941; special qualification for the post to which appointed; the method of recruitment, whether advertised or not?

THE HONOURABLE MR. A. DEC. WILLIAMS: Information is being collected and will be laid on the table in due course.

SUPPLY DEPARTMENT.

30. THE HONOURABLE MR. HOSSAIN IMAM: (a) Will Government state to which officers under the Supply Department the powers of Additional Secretary have been given? The date and the reasons for which this power has been given?

(b) Will Government state the number of cases disposed of by each of these Additional Secretaries since their appointment up to 15th February, 1941 and the numbers of cases referred to the Secretary and the Honourable Member?

THE HONOURABLE MR. A. DEC. WILLIAMS: (a) The Director General Munitions Production and the Director General of Supply were appointed *ex officio* Additional Secretaries to the Government of India with effect from the 15th December, 1940. The object of this is decentralization.

(b) No record is kept of such cases.

THE HONOURABLE MR. HOSSAIN IMAM: If those are the only two effective parts of the Supply Department, when they have been decentralized what is left to the Secretary?

THE HONOURABLE MR. A. DEC. WILLIAMS: Decentralization need not be complete for one thing. Further, this will not be the only Department of the Government of India which has an Additional Secretary in addition to the Secretary. It does not imply that the Secretary has no work left to do.

THE HONOURABLE MR. HOSSAIN IMAM: In regard to part (b) of my question, are there any cases referred to the Secretary from these Additional Secretaries or not?

THE HONOURABLE MR. A. DEC. WILLIAMS: Of course some cases will be sent to him. I am only pointing out that it is not the custom in the Government of India in the Supply Department and as far as I know in the majority of other Departments to keep a record of cases which actually reach the Secretary or the Honourable Member.

THE HONOURABLE MR. HOSSAIN IMAM: Is there any differentiation between the powers of the Secretary and the Additional Secretary?

THE HONOURABLE MR. A. DEC. WILLIAMS: The Additional Secretary has the powers of a Secretary.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What are their powers with regard to the giving out of contracts ?

THE HONOURABLE MR. A. DEC. WILLIAMS : I should require a separate question to answer that, Sir.

CONTRACTS OF RS. 1,000 AND ABOVE MADE WITHOUT CALLING FOR TENDERS.

31. THE HONOURABLE MR. HOSSAIN IMAM : Will Government lay on the table a list of orders of Rs. 1,000 and above placed in the last ten months of the fiscal year 1940-41, without calling for tenders, by mutual negotiation, giving the following information in respect of each order : value, rate, name of the article, name of the supplying firm or person, reasons for not calling tenders, the tendered rate immediately before or after the negotiated contract ?

THE HONOURABLE MR. A. DEC. WILLIAMS : Contracts of the kind referred to by the Honourable Member are normally entered into only in respect of proprietary articles and such specialized manufactures as Defence Services Motor Vehicles and Aircraft. They are also entered into in respect of articles belonging to categories other than those mentioned above, when the demand is excessive or more than the normal available supply and it is felt that better rates can be obtained by negotiations. In such cases the rates are approved not only by the appropriate purchase officer, but also by the corresponding Planning and Finance officers. Contracts of Rs. 1,000 and above made without calling for tenders are not numerous, but the preparation of a list, as desired by the Honourable Member, would involve heavy clerical labour as such contracts would have to be picked out from thousands of orders which have been placed in the last ten months.

THE HONOURABLE MR. HOSSAIN IMAM : Is it a fact that all these contracts are published in the *Indian Trade Journal* of the value of Rs. 1,000 and above ?

THE HONOURABLE MR. A. DEC. WILLIAMS : If that is the case, Sir, I do not know why the Honourable Member wants any statement from me.

THE HONOURABLE MR. HOSSAIN IMAM : I want the statement because the Journal does not differentiate between those contracts which have been given after calling for tenders and those which are given without tenders.

THE HONOURABLE MR. A. DEC. WILLIAMS : Then I see no relevance in the Honourable Member's supplementary question.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Can the Honourable Member indicate the value of the contracts entered into without calling for tenders ?

THE HONOURABLE MR. A. DEC. WILLIAMS : If the Honourable Member will put down a question in that sense it would be considered.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Has not that information been practically asked for by the Honourable Mr. Hossain Imam in his question ?

THE HONOURABLE THE PRESIDENT : In other words, the Honourable Member wants notice ?

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

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But is the Honourable Member entitled to ask for notice of a question involved in this question ?

THE HONOURABLE THE PRESIDENT : I quite agree the reply was not quite to the point, but the Honourable Member did intend to ask for notice.

BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON 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 Petroleum Act, 1934, which was passed by the Legislative Assembly at its meeting held on Tuesday, the 25th February, 1941.

INSURANCE DEPOSITS (TEMPORARY REDUCTION) BILL.

THE HONOURABLE MR. H. C. PRIOR (Labour Secretary) : Sir, I move :

"That the Bill to provide for the reduction temporarily of the amounts payable as instalments of the sum to be deposited by an insurer under section 7 of the Insurance Act, 1938, as passed by the Legislative Assembly, be taken into consideration."

Before the Insurance Act of 1938 was enacted life insurers were required to make second and subsequent instalments of deposits at one-third of the premium income of the insurer and their liability to pay such instalments annually continued until the full deposit had been made. The 1938 Act however required that the annual instalments of deposits should be a fixed sum bearing no relation to premium income. Unfortunately the war has come at a time when many young insurance companies who started business before the Act of 1938 was enacted have still not paid their full deposits, and it is a normal result of war that the anticipated growth in premium incomes of companies is retarded as there is less new business and more frequent lapses. Therefore young proprietary insurance companies are now faced with some slowing down of their anticipated progress and find it difficult to pay in full the fixed amounts of the periodical instalments of deposits required by the Insurance Act of 1938, and in present conditions it is considered inadvisable to require them to do so. The Bill which I have the honour to move seeks therefore to give such insurance companies some relief from the more stringent deposit provisions introduced by the 1938 Act. The Bill provides for the reduction, for the duration of the war and one year thereafter, of the instalments of deposits due from young proprietary insurers who carry on life insurance business only. It is necessary to give this relief only to young insurers (that is, those who started business not more than 10 years before the outbreak of war), as insurers who started business before that date are in a position to pay their instalments in full. The amount of relief proposed is that the annual instalments of deposits should be reduced by one-half, but provision is included to prevent insurers from dissipating unjustifiably moneys which they would otherwise have had to pay as deposits. The concession is not extended to companies receiving a premium income in excess of Rs. 30,000 per annum since the instalment of deposit they are required to make is within their means, even after allowing for reasonable expenses and settlement of

[26TH FEB. 1941.]

[Mr. H. C. Prior.]

claims. It is also not necessary to extend the concession to mutuals as their instalments are payable on a percentage basis. It is thought therefore that the Bill gives such relief as is required.

Sir, I move.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, this Bill has been brought forward by the Government with a generous motive, viz., that new companies, or young companies as they are termed, should not find it difficult to deposit their instalments. The Honourable Mr. Prior mentioned the fact that the Government have extended this facility to those companies which have an income of Rs. 30,000 as premium income. That is mentioned, Sir, in clause 5. Now the question is, is this Rs. 30,000 the income in the year in which they have to make the deposit or is it income in the previous year on which you will base this concession? If it is on the basis of the previous year, the result will be that those who are losing business, as has happened in some cases, will not be able to take advantage, although their income may have fallen from that of the previous year. I am afraid the Bill as it is framed will lead to this procedure that the Government cannot make the concession to those who have come down below Rs. 30,000 in the year 1941-42. I therefore ask the Government to keep in view their generous desire and if they find that this Bill is not giving relief to young companies they may come forward with an amending Bill during the next session.

THE HONOURABLE MR. H. C. PRIOR : Sir, I think that the answer to the question put by the Honourable Member will be found in sub-clause (1) of clause 5 of the Bill which says :

"An insurer otherwise entitled to the benefits of this Act shall cease to be so entitled in any year if in the preceding year his total premium income, including annuity considerations, as shown in the revenue-account prepared under the Insurance Act, 1938, exceeded rupees thirty thousand."

The view of Government is that if the income exceeds Rs. 30,000, as I said in my opening speech, it will be well within the means of the company to find the requisite deposit, even allowing for its expenses and for meeting any claims that may have to be met.

THE HONOURABLE THE PRESIDENT : Motion made :

"That the Bill to provide for the reduction temporarily of the amounts payable as instalments of the sum to be deposited by an insurer under section 7 of the Insurance Act, 1938, 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 and 5 were added to the Bill.

Clauses 6, 7 and 8 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

*Not corrected by the Honourable Member.

THE HONOURABLE MR. H. C. PRIOR : Sir, I move :

"That the Bill to provide for the reduction temporarily of the amounts payable as instalments of the sum to be deposited by an insurer under section 7 of the Insurance Act, 1938, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

INDIAN MERCHANDISE MARKS (AMENDMENT) BILL.

THE HONOURABLE MR. H. C. PRIOR (Labour Secretary) : Sir, I move :

"That the Bill further to amend the law relating to fraudulent marks on merchandise as passed by the Legislative Assembly, be taken into consideration."

This Bill seeks to amend an Act which was passed more than fifty years ago, at a time when competition in business was less intense. That Act served well the needs of that time—it protected the consumer against misrepresentation in respect of goods purchased by him, it safeguarded the trading community from the risk of purchasing goods falsely passed off as the manufacture of a particular person or country, and it gave some measure of protection to British and Indian traders. But it has for some time been felt that the growing complexity of trading conditions in this country and the great increase in our commerce and industries make it necessary to provide greater protection than is given by the present Act. A special officer was accordingly appointed in 1938—his report was circulated to Provincial Governments and commercial organizations, their comments and suggestions were carefully considered and the result of these various discussions is the Bill which I have the honour to move.

The Bill has two main objects. The first is to ensure that cotton piece-goods should be properly marked by the manufacturer or wholesale merchant and that similar provision should be made for yarn whether imported or made in Indian factories.

Secondly, the Bill gives power to the Central Government to issue notifications requiring the marking of the country of origin in any cases where this should be found necessary.

Opportunity has also been taken to alter the definition of the term "trade mark" to bring it into line with that in the Indian Penal Code and Trade Marks Registration Act. This will result in the removal of an anomaly which deprived Indian trade marks of protection unless they were actually in use.

It is hoped that these amending provisions will make the Act of 1889 suitable for the more complex modern trading conditions and satisfactory both to the consuming public and the mercantile community.

Sir, I move.

The Motion was adopted.

Clauses 2, 3, 4, 5 and 6 were added to the Bill.

THE HONOURABLE MR. SHAVAX A. LAL (Nominated Official) : Sir, with your permission, I beg to move two amendments to clause 7. The first is :

"That in clause 7 of the Bill, for the heading preceding proposed section 12, the following heading shall be substituted, namely, 'Stamping of Piece-goods, Cotton Yarn, and Thread'."

This is a purely formal amendment to add the word "Thread".

THE HONOURABLE THE PRESIDENT : I don't think there can be any objection to the Honourable Member moving his two amendments. He has not given the required notice but I will permit him.

THE HONOURABLE MR. SHAVAX A. LAL : Sir, I move my first amendment.

The Motion was adopted.

THE HONOURABLE MR. SHAVAX A. LAL : My second amendment is :

" That in clause 7 of the Bill, for sub-section (1) of section 12, the following shall be substituted, namely,—

" Piece-goods, such as are ordinarily sold by length or by the piece, which have been manufactured, bleached, dyed, printed or finished in premises which are a factory, as defined in the Factories Act, 1934, shall not be removed for sale from the last of such premises in which they underwent any of the said processes without having conspicuously stamped in English numerals on each piece the length thereof in standard yards, or in standard yards and a fraction of such a yard, according to the real length of the piece, and, except when the goods are sold from the factory for export from British India, without being conspicuously marked on each piece with the name of the manufacturer, or of the occupier of the premises in which the piece was finally processed or of the wholesale purchaser in India of the piece."

Sir, this amendment too is purely formal, the only real change being the insertion of the word "printed". It was left out in the other House merely by an oversight and is being inserted here. Opportunity has also been taken to improve the drafting of the sub-section.

Sir, I move.

The Motion was adopted.

Clause 7, as amended, was added to the Bill.

Clauses 8, 9, 10, 11, 12 and 13 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. H. C. PRIOR (Labour Secretary) : Sir, I move :

" That the Bill, as passed by the Legislative Assembly and amended by this House be passed."

The Motion was adopted.

The Council then adjourned till Eleven of the Clock on Thursday, the 27th February, 1941.

COUNCIL OF STATE

Thursday, 27th February, 1941.

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.

AUTOMOBILE INDUSTRY.

32. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja Yuveraj Dutta Singh) : Was there a scheme before Government for the manufacture of automobiles in India for war purposes? Was it opposed by the military authorities? Has the scheme materialized?

THE HONOURABLE MR. H. C. PRIOR : The Honourable Member is referred to paragraph 4 of the Press Communiqué issued by the Department of Commerce on the 16th December, 1940. Government have nothing to add to it. Copies of the Communiqué are in the Library.

CONSTRUCTION OF A RAILWAY LINE FROM THE PUNJAB TO SRINAGAR.

33. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja Yuveraj Dutta Singh) : Are Government aware of any proposal to run a railway line from the Punjab up to Srinagar in Kashmir? If so, what is the scheme in its broad detail, and when is it likely to be taken in hand?

THE HONOURABLE MR. L. WILSON : No proposal to run a railway from the Punjab to Srinagar is under consideration.

The second part of the question does not arise.

ALL-INDIA RADIO.

34. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja Yuveraj Dutta Singh) : Will Government state whether any steps have been taken by All-India Radio to evolve a simple and easily intelligible Hindi language bereft of high Persian or Urdu expressions for purposes of news bulletins?

THE HONOURABLE MR. S. N. ROY : No, Sir.

THE HONOURABLE MR. HOSSAIN IMAM : Is the Honourable Member aware that the language used by All-India Radio is more Hindi than that of the B.B.C., the German and Rome radios?

THE HONOURABLE THE PRESIDENT : That is more an argument than a question.

THE HONOURABLE MR. HOSSAIN IMAM : I am asking for information, Sir. Does not the language used by the All-India Radio contain more Hindi words than that of the Indian broadcasts from Germany and Rome?

THE HONOURABLE THE PRESIDENT : If that is so obvious, then why do you ask the question ?

THE HONOURABLE MR. HOSSAIN IMAM : I am asking for opinion, Sir.

THE HONOURABLE THE PRESIDENT : Asking for opinion is not allowed.

THE HONOURABLE MR. HOSSAIN IMAM : I am asking for information, Sir.

THE HONOURABLE MR. P. N. SAPRU : Is it the suggestion of the Honourable Mr. Hossain Imam that Rome and Berlin should be imitated by All-India Radio ?

THE HONOURABLE MR. HOSSAIN IMAM : As well as the B.B.C. Daventry also commits the mistake.

THE HONOURABLE MR. S. N. ROY : No, Sir ; that is not my information.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member make inquiries and find out ?

THE HONOURABLE MR. S. N. ROY : I have made inquiries. It is possible that a few more words of Hindi origin are used in the All-India Radio broadcast, but the Honourable Member will realize that our attempt throughout has been to use a vocabulary in our news broadcasts which will be understood by the largest number of people who listen to them. That consideration probably does not apply to Germany or Rome.

THE HONOURABLE MR. HOSSAIN IMAM : What about your B.B.C. ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Are Government aware that there have been complaints that All-India Radio has on many occasions used highly Persianized language ?

THE HONOURABLE MR. S. N. ROY : We have had complaints from both sides.

THE HONOURABLE MR. P. N. SAPRU : Is it not a fact, Sir, that All-India Radio invariably use highly Persianized language ?

THE HONOURABLE MR. S. N. ROY : I am afraid I cannot concede that. I do not think that All-India Radio intentionally tries to use either more Urdu words or more Hindi words.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : Has the Government of India received any representation from the Hindi Sahitya Sammelan on this ?

THE HONOURABLE MR. S. N. ROY : I cannot remember the precise representation that the Honourable Member is referring to but we have had many representations from both sides.

GRAND TRUNK ROAD.

35. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja Yuveraj Dutta Singh) : Is there any proposal before Government for widening and improving the Grand Trunk Road from Calcutta to Peshawar ? If so, when is the work likely to be taken in hand, and when is it likely to be completed, and what is the approximate cost, initial and recurring, involved in the scheme ?

THE HONOURABLE MR. S. N. ROY : There is no such proposal before Government. The removal of certain defects in the road by the strengthening or replacement of weak bridges is being carried out by certain Provincial Governments, or is under discussion with them. No reliable estimate has yet been framed of the total cost. The additional recurring expenditure will, so far as can be judged, be negligible.

THE HONOURABLE MR. HOSSAIN IMAM : May we know, Sir, whether this is to be charged to the provincial revenues or to the Road Fund ?

THE HONOURABLE MR. S. N. ROY : I have stated, Sir, that the removal of certain defects in the road is being carried out by certain Provincial Governments. The intention is that they will readjust their road programmes which are financed from the Road Fund to provide for the improvements referred to here.

THE HONOURABLE MR. HOSSAIN IMAM : Do we take it that it will come up before the Roads Committee for its approval ?

THE HONOURABLE MR. S. N. ROY : Some of these proposals have been placed before the Standing Committee for Roads already, and others will be in the usual course.

AIR FORCE RESERVE TRAINING SCHEME.

36. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja Yuveraj Dutta Singh) : Will Government give the main details of the aviation training scheme, with special reference to the places where such training centres have been or will be located, the number of apprentices to be taken for training, and the likely period of the training course ?

THE HONOURABLE MR. S. N. ROY : An outline of the Air Force Reserve Training Scheme will be found at pages 9—14 of the Proceedings of the Meeting of the Standing Finance Committee, held on the 9th September, 1940 (Volume XVII—No. 1). Since then the scheme has undergone some modifications which are explained in a Press note issued by the Director of Civil Aviation in India on the 17th January, 1941, a copy of which is placed on the table of the House. It will be observed that the number required was not forthcoming and that steps are being taken to obtain further candidates for selection by stages, to make up the quota required.

THE HONOURABLE MR. HOSSAIN IMAM : May we know, Sir, whether the Selection Committees are formed by the Military or the Communications Department ?

THE HONOURABLE MR. S. N. ROY : So far, only one Selection Committee has examined these candidates and that Committee was constituted of one

representative of the Civil Aviation Department, and one representative of the Air Force presided over by Sir Padamji Ginwala.

THE HONOURABLE MR. HOSSAIN IMAM : May we know if there was any Muslim on that Committee ?

THE HONOURABLE MR. S. N. ROY : No, Sir.

THE HONOURABLE MR. HOSSAIN IMAM : Will Government consider the advisability of having a Muslim on the Selection Committee ?

THE HONOURABLE MR. S. N. ROY : Naturally the selection has to be made from the best candidates and I do not understand how a Muslim would necessarily be able to make better selections than expert officers of the Air Force and the Civil Aviation Directorate, who are familiar with the requirements of the Air Force.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member say what is the percentage of Muslims recruited as these apprentices ?

THE HONOURABLE MR. S. N. ROY : I have the figures here. As it happens, the number of Muslims taken in forms a fairly good proportion of the total. Altogether, the Ginwala Committee found 129 candidates fit in all respects and of them 27 are Muslims.

THE HONOURABLE THE PRESIDENT : I suppose you are satisfied now ?

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : Let us hope so !

PRESS NOTE.

TRAINING OF PILOTS AND MECHANICS FOR AIR FORCES FIRST BATCH OF CANDIDATES POSTED TO FLYING CLUBS AND TRAINING SCHOOLS.

Plans for further recruitment.

Of the 129 candidates found fit by the Ginwala Committee, 28 have been entered direct into the Air Force Initial Training School as commissioned officers in the Indian Air Force Reserve, and with the posting of a class of trainees to Jodhpur in a few days time the first batch of 100 pilots will be under training at the 10 flying clubs in India. At most of the clubs flying training commenced immediately after Christmas.

The first consignment of training aeroplanes have been distributed to the clubs and are in course of erection. Additional hangar, workshop and store accommodation, where required, is under construction. Provisional arrangements have been made for the housing of trainees pending the completion of more permanent arrangements.

The course of instruction is a whole time course and the trainees, while remaining civilians, are kept under disciplinary control; the day starts with physical training. Apart from flying training, which occupies on an average one hour a day, ground instruction is given in airmanship, aircraft and aero-engines, theory of flight, navigation, meteorology, signalling, English, mathematics, general physics, first aid, and short periods are allotted to workshop training.

The length of the course and the extent of flying training, which is planned on the basis of a four months' course, will depend on the demands of the Air Force. In the course as now contemplated every trainee will be expected to achieve the minimum standard of a civil pilot's "A" licence with about 25 hours' flying training. Selections will be made from these trainees for periodical entries as officer cadets or with commissioned rank into the Initial Training School.

Many candidates unsuitable.

The report of the Ginwala Committee makes it clear that, even after the vigorous weeding out which was applied before candidates were brought before them, there was still a high percentage of unsuitable candidates. Many, it was found, did not appreciate what they were applying for and were merely interested in jobs.

The Ginwala Committee emphasized the importance of a good standard of education including proficiency in English and good general knowledge, to enable the selected candidates to absorb the instruction to be given them. Proficiency in sport and military experience in such bodies as University Training Corps were emphasised as valuable qualifications. University degrees alone were not found to be a good guide to a candidate's suitability. In fact, the Committee found that younger boys with lower academic qualifications, having the other qualities of character, social standing and early training proved better candidates.

Another Selection Board.

The general standard of physical fitness was lamentably low and the Committee emphasised that men wearing glasses or who do not conform to the prescribed height or weight standards, should not waste time by applying. While one-third of those who were called for interview failed to appear, the Committee found only 25 per cent of the balance suitable for consideration and of these less than 60 per cent were found medically fit.

It is believed by those responsible that this by no means gives a fair cross section. Suitable types exist if they can be attracted and the percentage of suitable men will be improved if irresponsible applications can be eliminated.

The examination of several thousand new applications is in hand and a selection board will shortly be convened to interview candidates who will be required for training in the clubs about the end of February. A further recruiting campaign will shortly be launched. An endeavour will be made to attract a more suitable type of candidate than the majority of those who were available for selection by the Ginwala Committee.

Training of mechanics.

More than 38,000 applications for training under the scheme to train mechanics have been dealt with but only 2,600 were considered fit for interview and of these a number failed to appear. Six hundred trainees, constituting the first class, are now being posted to :—

The Bengal Engineering College, Sibpore ;
The College of Engineering, Madras ;
The College of Engineering, Poona ;
The Air Services of India School, Jamnagar ; and
The Jamshedpur Technical Institute.

Training will commence early in February. The other schools selected for this training are expected to be ready shortly. All the selected candidates have been enrolled in the Indian Air Force Volunteer Reserve.

The selection of candidates up to now has been carried out by specially constituted Civil Aviation and Air Force Interview Boards at Madras, Delhi, Calcutta, Bombay and Karachi. Arrangements have now been made for future recruitment to be made by the Air Force Recruiting Officers at Bombay, Calcutta, Madras and Lahore. The National Service Labour Tribunals already constituted at these places have been requested to co-operate and recommend to the Air Force Recruiting Officers any candidates for war technicians' training organised by the Labour Department whom they may consider as suitable for Air Force training.

A syllabus of training has been issued by the Civil Aviation Directorate to each training centre. Comprehensive tool kits are being issued to each trainee. The course of training during the first four months will be basic training covering fitting, carpentry and elementary instruction on engines and aero-frames.

Twelve months' course.

One of the principal objectives aimed at in the course of training is to ensure that the mechanics will have the basic knowledge of engineering and workshop practice and the manual skill necessary to enable them to absorb and put into practice the more specialised training which they will receive later both in the Civil training centres and in the Air Force.

The course will start with instruction in the use of tools and will comprise the reading of machine drawings ; marking out work ; properties of metals ; engineering standards ; filing, drilling, rivetting and other workshop operations ; properties of timber ; seasoning, glueing and joining ; internal combustion engines, their construction and functioning ; construction of aircraft, wood and metal ; functions of the component parts ; principles of flight ; and handling of aircraft.

The course is planned to cover a period of twelve months' basic and advanced training. According to the requirements of the Indian Air Force, however, the course may be confined to basic training in the case of any trainees who can be absorbed by the Indian Air Force after a period of about four months.

DIRECTOR OF CIVIL AVIATION IN INDIA.

NEW DELHI ;

January 17, 1941.

PROVINCIAL ADVISORY COMMITTEE FOR WAR SUPPLIES.

37. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja Yuveraj Dutta Singh) : (a) Is it a fact that under the directions of Government the Provincial Advisory Committee for War Supplies formed about April last year for Bengal, is to include within its jurisdiction the Provinces of Bihar, Assam and Orissa also ?

(b) Has Bihar within her borders, besides coal and other war materials the biggest steel manufacturing plant, which has been supplying the major portion of the steel and other war requirements ?

(c) Will Government state why a separate Provincial Advisory Committee for War Supply has not been established in Bihar ?

THE HONOURABLE MR. A. DEC. WILLIAMS : (a) and (b). Yes.

(c) Because it was considered inadvisable to multiply the number of committees. There are six Controllers of Supplies and a Committee was appointed at the headquarters of each of them.

THE HONOURABLE MR. HOSSAIN IMAM : May we know who are the representatives of Bihar on this Committee in Calcutta ?

THE HONOURABLE MR. A. DEC. WILLIAMS : I want notice of that question, Sir.

INDIAN CIVIL SERVICE.

38. THE HONOURABLE MR. P. N. SAPRU : Will Government be pleased to state :—

- (i) the strength of the present cadre of the Indian Civil Service ;
- (ii) the number of Europeans in the Indian Civil Service ;
- (iii) the number of Indians in the Indian Civil Service ;
- (iv) the proportion fixed for European recruitment ;
- (v) the proportion fixed for Indian recruitment ;
- (vi) the method of selection of European candidates followed since the war ;
- (vii) the method of selection of Indians for I.C.S. posts in India ?

THE HONOURABLE MR. E. CONRAN-SMITH : (i), (ii) and (iii). The actual strength of the I. C. S. on the 1st January, 1941 was 1,205 of which 585

were Europeans, 617 Indians including 121 holders of listed posts and three unclassified officers of mixed descent but of non-Asiatic domicile.

(iv) and (v). The proportion of direct recruitment of Europeans and Indians to the I. C. S. has been fixed by the Secretary of State at 50 : 50.

(vi) Owing to the difficulties of holding an examination in England in time of war, the system of recruitment of Europeans, which was formerly partly by selection and partly by examination, has since last year been changed into one of selection only.

(vii) Indians are recruited to the I. C. S. in India partly by open competition and partly by nomination to redress communal inequalities.

THE HONOURABLE MR. HOSSAIN IMAM : May we know, Sir, when was the last selection made in England and what were the numbers of Europeans and Indians ?

THE HONOURABLE MR. E. CONRAN-SMITH : The last selection was made last year in England and 11 Europeans and six Indians were selected.

THE HONOURABLE MR. HOSSAIN IMAM : And what was the number of Indians recruited by examination here ?

THE HONOURABLE MR. E. CONRAN-SMITH : I must ask for notice of that question, Sir.

THE HONOURABLE MR. P. N. SAPRU : Are European candidates being trained at Dehra Dun ?

THE HONOURABLE MR. E. CONRAN-SMITH : The European probationers and the Indian probationers are being trained together at Dehra Dun.

THE HONOURABLE MR. P. N. SAPRU : What is the number of European probationers at Dehra Dun ?

THE HONOURABLE MR. E. CONRAN-SMITH : I have already answered that question, Sir, 11 Europeans were taken last year.

THE HONOURABLE MR. P. N. SAPRU : Have they all come out to India ?

THE HONOURABLE MR. E. CONRAN-SMITH : One was delayed : I am not sure whether he is still on his way. I think he has actually arrived.

RESOLUTION *RE* PREVENTION OF PERSONS SUFFERING FROM CONTAGIOUS DISEASES TRAVELLING IN TRAINS, ETC.

THE HONOURABLE MAULVI ALI ASGAR KHAN (Assam : Muhammadan) : Sir, the Resolution standing in my name runs as follows :—

"This Council recommends to the Governor General in Council that adequate steps be taken forthwith to prevent, and sufficient checking be imposed by the authorities concerned upon, the travelling of lepers and persons suffering from dangerous diseases such as tuberculosis in railways, steamers and buses and also from haunting public places like hotels and restaurants so that the progress of the dangerous diseases which are eating into the vitality of the Indian nation be checked."

[27TH FEB. 1941.]

[Maulvi Ali Asgar Khan.]

Sir, in bringing forward this Resolution I am voicing a long felt want which has not been tackled comprehensively as yet.

The picture of lepers, tubercular patients and persons suffering from other contagious diseases crowding our trains and other means of transport is too familiar to be stressed. How often some fell disease like cholera originated in some remote corner of the country and spread like wild fire through the unrestricted movements of infected persons.

No one can deny that this state of affairs has led to the prevalence and permanence of contagious diseases in this country. Whereas people of western countries can take steps themselves to keep away from infected persons, knowing as they do the danger that lies in a closer contact we in India are far too indifferent to take necessary steps ourselves. The bulk of the people travelling in the lowest classes of steamers, railways, motor buses, are not sufficiently aware of the danger they run, and if they are, a misguided sense of pity prevents them doing what they should.

It is for these reasons, Sir, that steps should be taken by Government to remedy the effects of indifferent benevolence. I am aware, Sir, that "Public Health" has been a provincial subject and in these days of provincial autonomy the Central Government is not in a position to step into the breach where it exists.

What I do know however is that railways which carry the bulk of passenger traffic in the country are a central subject and so is shipping. I would therefore restrict myself to these three means of transport.

I may say at the outset that it is quite possible that there may be some long-forgotten enactment in the Statute-book which might have been intended but never used for the purpose I have in view. If there is any such thing I would suggest that it should be put into effective use. If there is no such provision it is high time that stringent measures were taken to cope with this persistent evil.

It is up to the executive Government to evolve detailed measures but I would suggest that qualified doctors be employed at terminal railway stations and important intermediate stations to check passengers and to detain those suffering from contagious diseases. It may sound harsh but the greater good of the greater number demands this precaution which would be as nothing compared to quarantine regulations. In less dangerous cases travelling should be permitted in a compartment set apart for the purpose. The same procedure should apply to shipping. Rules should be framed to make the owner or driver of a motor bus punishable for carrying infected persons.

If leprosy and other infectious diseases could be eradicated from England and other European countries where once the toll of these diseases were very high why this could not be done in case of India? I quite realize that conditions in India are quite different from those countries still, if the Government come forward to save the Indian nation from these calamities, I am quite confident that very soon India itself will be free from all fell diseases. I do not wish to take up more time but I feel sure that I would have the support of all Honourable Members in introducing this very necessary and overdue measure.

Sir, I move.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan): I am sure, Sir, that the House will view this Resolution which has been moved by my esteemed friend with sympathy. There is no

doubt that we ought to make an earnest effort to eradicate these diseases for prevention is better than cure. My Honourable friend has suggested some ways in which the problem can be tackled. For example, he says that in railway trains compartments might be specially reserved for sick people who are suffering from infectious or contagious diseases. Also it may be necessary for us to help in establishing leper asylums. The work is one which needs the co-operation both of the public and of the Government and one great difficulty here in this country is that the public has no correct appreciation of the nature of these diseases and how they spread. Sir, I would like with these words to express my deep sympathy with the object underlying the Resolution which has been moved by my Honourable friend Maulvi Ali Asgar Khan.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN (United Provinces West : Muhammadan): Sir, there can be no doubt that it is essential that the spread of contagious diseases should be checked. The problem is indeed a difficult one. As my Honourable friend on this side said, it requires the co-operation of the public as well as the Government and it is very difficult, unless the public comes forward particularly in the case of travel on railways. Railways should make special arrangement for the travelling of people suffering from contagious diseases. Contagious diseases in this country are many in number and are equally dangerous. It is very difficult to find people who are ready to come forward and ask the Railway Department to make special arrangements for them as they are afraid of restrictions and expense. When we know that a certain person suffering from a certain disease intends to travel by train or certain people are going to visit public places and they are willing to have special arrangement made, that facility should be given to them. For instance, if patients who are suffering from such diseases give 24 hours' notice to station masters, some special arrangement should be made for them. It is very difficult to put forward before the House any definite scheme which would stop altogether contagious diseases from being spread either on the railways or in public places. Beggars who are lepers visit railway platforms and other public places and the police over there should be instructed not to allow them freely to visit these public places.

With these words, Sir, I support the Resolution.

THE HONOURABLE MR. S. N. ROY (Communications Secretary): Sir, the Honourable Member who moved this Resolution did not appear to realize that actually we have legislation to prevent people suffering from contagious diseases from travelling in trains and public transport vehicles. The remarks that fell from the last speaker make it necessary that I should explain what the regulations on the subject are, because what he asks for are provided in existing regulations. Section 47 of the Railways Act confers powers to make rules for the purpose of preventing people suffering from contagious and infectious diseases from travelling on railways and section 71 of the Railways Act lays down that a railway administration may refuse to carry, except in accordance with conditions prescribed under section 47, a person suffering from an infectious or contagious disease, that a person suffering from such a disease shall not travel upon a railway without the special permission of the station master or other railway servant; and finally, that a railway servant giving such permission must arrange for the separation of the person suffering from the disease from other persons travelling on the railway. The rules made under section 47 provide that a person suffering from a contagious disease shall not be carried on any train unless he has engaged a reserved compartment, and all necessary arrangements have been made for the separation of the passenger

[Mr. S. N. Roy.]

and his attendants from other persons travelling on the railway. It also provides for any other special precautions considered necessary by the railway staff. These provisions do exist at the present time and on the road transport side similar provision has been made in section 68 (2) of the Motor Vehicles Act which was passed by this House two years ago. That section confers rule-making powers on Provincial Governments in respect of the conveyance in a stage and contract carriages of persons suffering from infectious diseases and the disinfection of such carriages. Although the Government of India have not the power to lay down rules—the power has been given to Provincial Governments—they took the initiative in framing certain model rules for the guidance of Provincial Governments and circulated them to Provincial Governments for adoption. These provide that no driver and no conductor of a public service vehicle shall cause or allow to enter into or to be placed or carried in the vehicle any person whom he knows or has reason to believe to be suffering from any infectious disease; the driver and conductor may allow a person suffering from such a disease to be carried in a public vehicle provided that no other person save a person or persons in attendance on the sick person shall be carried in the vehicle at the same time. There is provision also that he should report at destination immediately to the Public Health Department, so that the conveyance can be disinfected. Now although these provisions exist both on the road transport side and on the railways, it is probable that they are not strictly enforced. As I shall presently show there are a great many practical difficulties. I was rather hoping that my Honourable friend would give us some suggestions as to how they can be more effectively enforced. He suggested the employment of doctors at certain stations. Well, Sir, I remember myself many years ago when plague first came to this country such precautions were taken; trains were held up; passengers were asked to get out; they were cordoned round; doctors went round feeling their pulses and looking at their tongues. All this involved enormous delay and as far as I remember the steps taken were far from being popular. The rules laid down under section 47 of the Railways Act have defined what diseases were to be regarded as contagious. They include cerebro-spinal meningitis, chicken pox, cholera, diphtheria, leprosy, scarlet fever, typhoid fever, whooping cough, but not consumption. The reason for that quite obviously is that it is quite impossible to say whether a person is suffering from it unless he is in the last stages of it. Well, Sir, the only way of enforcing the provision on the railways would be to cordon off the passengers at every station and to have them examined. Even then, you would not be able to eliminate all the cases that are suffering from contagious diseases. It is easy enough to find out if people are suffering from chicken pox or small pox. But infectious fevers are very difficult to detect by the mere feeling of the pulse. In the case of consumption again, detection is by no means easy. But any action of that kind would mean that travellers would take a long time to get to their destinations. On the Roads side, the problem is still more difficult. You have probably a driver or a conductor who has no idea of what these diseases mean. He is accustomed to take a very tolerant view of these diseases. How is he—although the law exists—how is he to be relied upon to tell passengers suffering from contagious diseases that they are not to enter the vehicle? Is it suggested that we should carry a doctor on each vehicle? Now, Sir, the whole difficulty, as some of the Members pointed out, is that measures of this kind can only be made effective by awakening the public conscience and by effective co-operation between public servants and the public. So long as the public conscience has not been

awakened, I doubt very much if it will be possible to tighten up the rules in any way. Actually in certain matters a great deal of progress has been made, in regard for example, to epidemic diseases. Whenever melas or fairs are held, like the Kumbh Mela in the United Provinces and the Saugor mela in Bengal, railways do make special arrangements in co-operation with the public health officers of the Provincial Government to see that preventive measures are taken, that contagious cases are segregated and so on and any one who has read the latest Report of the Public Health Commissioner will realize that these measures have achieved a very considerable degree of success. Figures, I think, are given in that Report to show that in 1938, epidemics in melas and fairs, were small compared to previous years.

Everywhere public authorities have to rely on education and public co-operation to make regulations for prevention of contagious diseases from spreading, effective. In England, for example the question of infection in air raid shelters is now being widely discussed and anyone who reads the English papers or gets letters from friends will know that the public health authorities have been advising people suffering from contagious diseases to leave congested areas for the country so as to avoid the necessity of their having to go into air raid shelters. It is only by education that you can make such measures effective. Honourable Members are aware that public health authorities in India are taking steps to disseminate information on the subject of infectious diseases, the preventive measures should be taken and so forth, and one hopes that this educative propaganda is achieving a certain measure of success. But progress, specially in a country like India where so many social factors enter into the problem is bound to be slow and gradual. Although we have every sympathy with the object of the Resolution I am unable to see in what way we can in practice make the regulations which exist more effective.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan): Sir, may I ask for information on a certain subject? The Honourable Member has assured us that there is no lack of rules and regulations in the Government's code in consonance with the demand of Maulvi Ali Asgar Khan. I understand that the only trouble, which the railways are unable to remove, is the want of co-operation on the part of the public. But may we know whether he will promise that the railways will give every facility if notification is given to the railway authorities sufficiently early to provide accommodation for people suffering from these kinds of diseases?

THE HONOURABLE MR. S. N. ROY : Is this a question, Sir, or a speech?

THE HONOURABLE MR. HOSSAIN IMAM : Sir, I am asking for elucidation of the point.

THE HONOURABLE THE PRESIDENT : The Honourable Member is in the habit of making speeches on a request for information.

THE HONOURABLE MR. HOSSAIN IMAM : I am asking whether, if information is sent to the authorities sufficiently early, the railways would provide the accommodation without charging extra for the reservation.

THE HONOURABLE MR. S. N. ROY : Well, Sir, all I can say is that, as I pointed out, the rules specifically lay down on this point—that no passenger suffering from an infectious or a contagious disease shall be carried on any train

[Mr. S. N. Roy.]

unless (i) he has engaged a reserved compartment, (ii) all necessary arrangements have been made for the separation of the passenger and his attendants from other persons travelling on the railway, and (iii) any other special precautions considered necessary have been taken to prevent infection being communicated to other persons. Well, that makes it perfectly clear that if any person makes a request to the railway to provide accommodation the railway will do so.

THE HONOURABLE MR. HOSSAIN IMAM: But at whose cost?

THE HONOURABLE SIR GIRIJA SHANKAR BAJPAI (Leader of the House): I think the Resolution is aimed at imposing restrictions on the movements of people suffering from infectious or contagious diseases. The proposal is not that the railways should provide free lifts to people suffering from these diseases.

THE HONOURABLE MR. HOSSAIN IMAM: The railways, Sir, should not spread the disease.

THE HONOURABLE MR. S. N. ROY: But obviously it is not the railway that is spreading the disease but the individual.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to support the Resolution which has been moved by the Honourable Maulvi Ali Asgar Khan. The Honourable Mr. S. N. Roy's reply has not been very assuring, because he has compared India, a very big country, which sometimes is called a continent, with a small island like England where the longest journey can be finished in about eight to ten hours. Infection in about eight to ten hours cannot be so much as infection in four days' travelling. In the section which the Honourable Mr. Roy has cited there is no penal provision for the offender. There must be a provision that if any person, who is suffering from a highly infectious disease, travels in a railway compartment, he will be punished. The very fact that the Honourable Maulvi Saheb has moved this Resolution in this House shows strong public opinion for it and the request is so reasonable that some sort of remedy must be found. The Honourable Mr. Hossain Imam has suggested that there may be a separate compartment for people who are suffering from serious epidemic diseases. That is one way in which the difficulty can be met. Another point which I want to raise is that in stations where there is a great epidemic prevailing, whether it be of small-pox or cholera, plague or meningitis or any other disease, some sort of notice or a big placard should be placed at such station so that those who visit those stations may know that such-and-such epidemic is existing in that town and that they should take care of themselves.

Sir, the reply of the Honourable Mr. Roy does not go much to show how the railways want to tackle this question. Public opinion is getting stronger and stronger. He himself has admitted that diseases like small-pox and plague and mumps can be easily distinguished and easily found out. There must be some means adopted to stop that. I think, to start with, the suggestion of the Honourable Mr. Hossain Imam is reasonable that one or two compartments may be kept for those who are suffering from highly infectious diseases and from very serious epidemics, and I also suggest that adequate provision be made that anybody who is breaking that section which you have quoted will be punished.

With these words, Sir, I give my whole-hearted support to the Resolution.

THE HONOURABLE SIR GIRIJA SHANKAR BAJPAI: Mr. President, I wish in the first place to remove any misapprehension in the minds of Honourable Members that the Resolution which has been moved by the Honourable Member from Assam does not evoke sympathy from this side of the House. We are very sympathetic. But it has been recognized by different speakers that it is not merely a question of academic sympathy; it is generally a question of how you are going to make that sympathy effective. It is not merely rules and regulations that will make that sympathy effective. We can multiply them as much as you like. If I may venture to say so, even rousing the public conscience by itself is not going to make these rules and regulations effective. What I think to be really necessary is that there should be co-operation between Provincial Governments who are responsible for public health within provincial limits on the one hand and those responsible for central agencies of transport on the other. One suggestion I am prepared to make for the consideration of the House is—and I hope that if it commends itself to the Honourable Mover, he will not press the Resolution, because if he does, in the form in which it stands we shall have no option but to oppose it—my suggestion is this. There is such a body as the Central Advisory Board of Public Health on which this House is represented. I am quite willing in my capacity as Education Member and as Chairman of that body to bring up the subject matter of this Resolution for consideration before the Central Advisory Board of Public Health. It will then be for the medical and public health experts on the one hand and the representatives of the railways on the other—they also find a place on the Board—to see to what extent we can carry further the existing rules and regulations for preventing the dissemination of disease by the use of means of public transport. It may not achieve all that my Honourable friend desires, but, *festina lente*, I fear, must be the motto which Government and the public alike must adopt if the object is to achieve real as distinct from purely window-dressing progress.

THE HONOURABLE MAULVI ALI ASGAR KHAN: Sir, Government have given the assurance that they will take up this matter in the Central Advisory Board of Public Health and so I do not like to press the Resolution any further and agree to withdraw it. The Government will put forward my views in that Board and the Board will find out ways and means how to eradicate these diseases. Leprosy, which was once very badly prevalent in England, has been totally eradicated from England, and if the Government takes the step which England has taken, I am sure our country also will be free from that disease.

The Resolution was, by leave of the Council, withdrawn.

RESOLUTION RE INDIAN CIVIL SERVICE.

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

“This Council recommends to the Governor General in Council to advise the Secretary of State for India to suspend British recruitment to the Indian Civil Service during the period of the war.”

[Mr. P. N. Saprú.]

Sir, before I go on to develop my argument, I should like to say that I am not moving this Resolution in a spirit of hostility to the British members of the I.C.S. The I.C.S. has great traditions and both British and Indian members of the Service deservedly enjoy a very high reputation for ability, integrity, character and devotion to duty. The British section of the Service—and it was before the Montford era a more or less British Service—has given the country some men of exceptional ability like Sir John Lawrence, Lord Macdonald, Sir Alfred Lyall, Sir James (now Lord) Meston and Lord Hailey. Though as a nationalist Indian I cannot say that the Service has been noted for its sympathy with Indian aspirations—bureaucrats—I hope my friends won't mind that word "bureaucrat"—bureaucrats always like to do things for the people, and they have, whether British or Indian, distrust of Government by the people—I cannot forget, Sir, that the founder of the greatest political organization in the country, the Indian National Congress, was a Britisher and that in the early days of the national movement, it supplied two Presidents to the Indian National Congress. Also, Sir, in fairness to the British members of the Service I should like to say that they have shown, and I have particularly the younger section of the Civil Service in mind, capacity to adjust themselves to changing conditions. Political opponents who found themselves in power after the inauguration of provincial autonomy found that the British members of the Service, if not always in agreement with their policies, were ready to execute those policies in a spirit of commendable loyalty. I say all this because I do not wish my Resolution to be interpreted as an attack upon the British members of the Civil Service.

The inadequate opportunities that Indians have in serving their country in higher administrative positions is a long-standing grievance of the Indians. You can trace the controversy in regard to this grievance to the Sixties and Seventies of the last century. The equality of opportunity which was promised to them by the Charter Act of 1833 and the Queen's Proclamation remained largely unfulfilled until 1918 when the Montford Act was passed and the ratio fixed for Indians in the Civil Service was 33 per cent. rising by $1\frac{1}{2}$ per cent. yearly to 48 per cent. in 1930. That Act, as we know also, was preceded by a declaration of British policy as progressive Indianization and progressive realization of responsible government. I am not going into the past controversies which are buried in the Reports of the Acheson Commission. They will be found earlier in Lord Lytton's despatch on the statutory civil service. They will be found in the Islington Commission's Report. I am not going into all that. I will take as my starting point the Lee Commission's Report in 1924. The Lee Commission reported on the 27th March, 1924 and it pointed out that the question of Indianization had assumed a new importance after the declaration of 1917. I would like just to quote them here. They say :—

" In the days of the Islington Commission the question was how many Indians should be admitted into the public services. It has now become what is the minimum number of Englishmen which must still be recruited ".

They also connect the constitutional issue with the question of Indianization and at page 17 they say :—

" Subsequent to the signature of that Report (the Islington Report) and before orders were issued on its recommendations the announcement of August, 1917, had entirely changed the constitutional outlook. In the words of the authors of the Report on Indian constitutional reforms, the success of the new policy must very largely depend on the

extent to which it is found possible to introduce Indians into every branch of the administration. Recognizing that Indianization must be a long and steady process, they recommended that recruitment of a largely increased proportion of Indians should be initiated without delay if the services are to be substantially Indian in personnel by the time that India is ripe for responsible government ".

Now, Sir, the Lee Commission reported that the proportion of 50 to 50 per cent. in the cadre of the I. C. S. should be attained without undue delay and that the present rate of recruitment should be accelerated with that object. The present position therefore is, as has been stated by the Honourable Mr. Conran-Smith, that the ratio of British to Indian recruitment is 50 to 50 per cent. The 50 per cent. recruitment is obtained partly by promotions to superior posts of Provincial Service officers, but mainly by direct recruitment from two sources—a competitive examination in England which is open to Indians under certain conditions and a separate examination in India followed by nomination which is used to maintain certain communal proportions. The present strength of the Service as Mr. Conran-Smith has told us this morning is 1,205. Of these 585 are Europeans and 617 are Indians, including 121 holders of listed posts. I am not quite sure whether some of these holders of listed posts are temporary. And there are three unclassified officers of mixed descent but of non-Asiatic domicile. Perhaps Mr. Conran-Smith will tell us whether all of these 121 officers holding listed posts are permanent or not.

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

THE HONOURABLE MR. P. N. SAPRÚ : Sir, naturally, owing to a mistaken policy followed in the past, in the higher positions, that is in the superior posts, the British element predominates. But, Sir, it cannot be argued that the Indians in the Service have not rendered a good account of themselves. The Indian members of the Civil Services have shown that in ability, in character, in initiative, in driving power, in devotion to duty, they are in no way inferior to their British comrades. It cannot be argued today in 1941 that Indians are unfit for holding responsible positions. The Leader of this House is himself a very distinguished member of the I.C.S. and who that knows him will say that he is inferior either in ability, initiative or character to the best Britisher in the I.C.S. Therefore I will take it for granted that Indians have shown themselves fit for holding civil service appointments. Indians, Sir, have given also to the service men of exceptional ability like the late

12 Noon.

Mr. Romesh Chandra Dutt, Sir K. G. Gupta, Sir Atul Chatterjee : so many names can be mentioned. The Services Sub-Committee of the Round Table Conference recommended that the recruiting authority hereafter should be the Government of India and this was the recommendation also of the signatories to the Joint Memorandum to the Joint Select Committee. The Joint Memorandum was signed by Sir Zafulla Khan. The White Paper suggested that the recruiting authority should continue to be the Secretary of State but that there should be an inquiry into the question of the recruiting authority five years after the inauguration of the new constitution. The Joint Select Committee, however, suggest that there should be greater elasticity about this period. They said they would not like to tie themselves to any definite period but they visualized nevertheless an inquiry. These are their exact words :—

" We endorse the principle that the whole matter should be the subject of a further inquiry at a later date ; but past experience leads us to doubt the wisdom of fixing a definite and unalterable date for the holding of an inquiry of this kind. We agree that no useful purpose would be served by an inquiry before the expiration of five years ;

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but we think it must be left to the Government of the day, in the light of the then existing circumstances, to determine whether after that period the time has arrived for such an inquiry."

All this is, however, ancient history. The war has changed everything. Federation has not come into existence and the declared objective of His Majesty's Government is Dominion Status of the Statute of Westminster variety, free and equal partnership in the British Commonwealth of Nations at the earliest possible time. Now, Sir, Mr. Amery has stated in a recent speech—he has been making a large number of speeches and I cannot remember exactly what speech it is—he has stated in a recent speech that there is nothing to prevent Indians provided they can agree among themselves from attaining maximum power subject to certain limitations—the word "limitation" is important, the word used is limitation; not reservation—subject to certain limitations in regard to defence and the rights of the present members of the Service and certain obligations which Britain has towards Indian States. Now, Sir, I do not agree with that declaration. I would have liked it to be much more liberal than it is. I do not like the emphasis on the communal agreement; I do not like the emphasis on British obligations. But the point I wish to emphasize is that if Mr. Amery is to be believed—and I think you must take him at his word—it is intended by Britain that India should attain Dominion Status after the war. Well, Sir, if that is the position, is it not necessary to review the situation in the light of this declared objective? The position, as I see it, is this. If you go on recruiting you go on mortgaging the future, because you will have to respect the rights of the existing members of the Service. We have admired the heroic sacrifices which British youths are making in a cause which is fundamentally just and right. We have been told that conditions in England do not permit examinations to be held. Competitive examination in England has been abandoned. Candidates are being taken there by selection. Eleven Britishers were selected last year mainly by a *viva voce* test which is not always very satisfactory. These 11 candidates are being trained along with Indian candidates at Dehra Dun. And there are shipping difficulties. The Honourable Mr. Conran-Smith said that of these 11 candidates one was not able to come out to this country because he was not able to obtain a passage.

THE HONOURABLE MR. E. CONRAN-SMITH: On a point of explanation, Sir. I think I said that I understood he had since arrived.

THE HONOURABLE MR. P. N. SAPRU: Now, Sir, the general impression is—Mr. Conran-Smith will correct me if I am wrong—that vacancies in superior posts are being filled up by temporary promotion of Provincial Service men; also a number of men who were due to retire—that has been suggested, I do not know how far it is a fact; the Honourable Mr. Conran-Smith will be able to throw light on this point—also a number of men who were due to retire have been retained. I suggest that all this is unsatisfactory. The position therefore ought to be reviewed and it is for this reason that I am suggesting that British recruitment should be suspended. The present position is neither fair to India nor fair to the men whom you are recruiting. Sir, I may state my own personal view quite frankly. I am for the stoppage of British recruitment to the I.C.S.

THE HONOURABLE MR. HOSSAIN IMAM: Only?

THE HONOURABLE MR. P. N. SAPRU: To all the services. I might next time bring a Resolution about the Indian Police Service, and so on. This does not mean, however, that the Britisher will not be welcome in many positions in the India of the future. We all hope to have industrialization on a large scale in India after the war and for that industrialization we shall need foreign experts and there is no reason why we should not give preference if we need foreign assistance to the Britisher; *but the recruiting and controlling authority hereafter must be the Government of India*. You may either provincialize the Civil Service or you may keep it on an all-India basis. I will indicate my own preference for keeping the I.C.S. on an all-India basis. If you have the Civil Service on an all-India basis you get a wider area of recruitment. Sir, we get a good quality for the I.C.S. examination. Those who pass out—I know that the number of candidates who sit for the I.C.S. is very large—but those who pass out are men of good quality. I do not think that they compare unfavourably with products of British Universities. I have friends in the I.C.S. who have passed out from India and I know that in intellectual calibre they are not inferior to the best products of the service in England. University education has improved considerably; we have now a number of teaching and residential universities in this country. Research facilities are greater than they were before. There is a wider diffusion of culture also in the country. It is not, therefore, necessary for Indians to go to England for education and if you stop British recruitment and if you recruit men only from India the quality will not go down. I do not think, Sir, it can be seriously argued that quality will go down if British recruitment is stopped altogether.

THE HONOURABLE THE PRESIDENT: Why do you anticipate the Honourable Mr. Hossain Imam's amendment at this stage? You will have a right to speak on the amendment later on.

THE HONOURABLE MR. P. N. SAPRU: I will not say anything about Mr. Hossain Imam's amendment.

THE HONOURABLE THE PRESIDENT: It has not yet been moved.

THE HONOURABLE MR. P. N. SAPRU: Even if you stop recruitment now, the British element in the Service will continue for a long time. In the Civil Service you can serve for 35 years if you like. Therefore, it strikes me that it is undesirable to mortgage the future. This question, Sir, is connected with the larger constitutional issue. Britain must make India feel that she is liquidating her so-called obligations. Deeds, Sir, and not words, are wanted to convince India that Britain really desires her to be free and self-governing. Unfortunately, Sir, in actual policies in recent months we have had no evidence of the new spirit of which we were told by some nine eminent Members of the British Parliament, some of them rather good and trusted friends of India.

THE HONOURABLE MR. HOSSAIN IMAM: Any Cabinet Ministers among them?

THE HONOURABLE MR. P. N. SAPRU: No. But they were all men of importance. Unfortunately, in actual policies we have had no evidence of the new spirit which, we were told by these nine eminent Members of Parliament, permeates England today. Sir, Government ought to make some contribution to easing the political situation in this country and I suggest that

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one way in which Government can convince reasonable public opinion in this country that it means business is by suspending British recruitment. It may be said, Sir, that the Secretary of State cannot take this step without parliamentary sanction. I will just read a few relevant passages from section 244 of the Government of India Act, 1935, which is the section dealing with recruitment by the Secretary of State. Clause (4) of this section reads :—

“ It shall be the duty of the Governor General to keep the Secretary of State informed as to the operation of this section, and he may after the expiration of such period as he thinks fit make recommendations for modification thereof.

“ In discharging his functions under this sub-section, the Governor General shall act in his discretion ”.

And clause (3) reads :—

“ The respective strengths of the said services shall be such as the Secretary of State may from time to time prescribe, and the Secretary of State shall in each year cause to be laid before each House of Parliament a statement of the appointments made thereto and the vacancies therein ”.

Clause (2) reads :—

“ Until Parliament otherwise determines, the Secretary of State may also make appointments to any service or services which at any time after the said date he may deem it necessary to establish for the purpose of securing the recruitment of suitable persons to fill civil posts in connection with the discharge of any functions of the Governor General which the Governor General is by or under this Act required to exercise in his discretion ”.

Sir, in the first place, I think that parliamentary sanction is not necessary but, assuming that parliamentary sanction is necessary, it can be obtained for the stoppage of recruitment. Even in war time we saw the Government of India Act amended whenever it suited Government. It was amended in regard to give larger powers to the Governor General. It was amended to clarify the position in regard to the Employment Tax in the United Provinces. Members who have been sent as diplomatic representatives to foreign countries are being allowed to retain their seats in Parliament and there is a Bill actually before Parliament on this point just now. Therefore, Sir, I do not think that there is any force in the observation that the Government of India Act cannot be changed. It may be said, Sir, that I am prejudicing the findings of the committee that is to be appointed five years after the inauguration of the new constitution. Well, Sir, the whole constitution now is in the melting pot. The Secretary of State has prejudged the findings already by his declaration that India shall be a Dominion and that Indians shall be allowed to frame their own constitution, provided certain conditions are fulfilled which I do not regard as reasonable. The Secretary of State has already prejudged the issue. Therefore, Sir, I think the Government of India Act of 1935 is a dead letter. We cannot take our stand on it and say, “ Oh, there will be an inquiry after five years.” How is that declaration consistent with the other declaration that Indians shall frame their own constitution, subject to certain limitations ?

THE HONOURABLE THE PRESIDENT : In moving this Resolution are you not prejudging the issue ?

THE HONOURABLE MR. P. N. SAPRU : There is another question. I would have used the word “ stop ” but I have used the word “ suspend ” in order to make it easier for the Government to accept the Resolution. There

are shipping difficulties in getting these young men from England. The system is very unsatisfactory. We have also to remember now that the maintenance of law and order at any rate in four provinces is an Indian charge. Indians have shown that they are competent to maintain law and order. I cannot, Sir, admit the claim that a British element in the Services is necessary on account of communal conflicts. If you can transfer law and order, why must you have a British element in the Services ? Indian officers have shown that on critical occasions they can act just as impartially and as firmly as British officers. Therefore, Sir, I can see no reason for maintaining the present position. I am moving this Resolution in the hope that Government will make a gesture and I am certain that if Government make a gesture, it will be appreciated by the public.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, I rise to move the amendment which stands in my name, namely :—

“ That the word ‘ British ’ be omitted from the Resolution moved by the Honourable Mr. P. N. Sapru ”.

Mr. President, when the Honourable Mr. Sapru moved his Resolution, I had expected to listen to more cogent reasons for changing a system which has been in existence for such a long time. I had expected that like a statesman he will have tried to convince the minorities that their interests will not be trampled upon, and they will not be suppressed in the manner in which they are in the Railway Service. I had thought, Sir, that he will live in a world of reality—

THE HONOURABLE THE PRESIDENT : If you go on exchanging these courtesies, you will soon reach your 15 minutes.

THE HONOURABLE MR. HOSSAIN IMAM : Sir, I have to justify why I wish to retain the present character of the I.C.S. and therefore it will be necessary for me to dilate a little on these subjects. Mr. President, the day before yesterday, when we walked out, the Honourable Members of the Progressive Party were giving bouquets to the Honourable the Railway Member for his impartiality and no favours, having forgotten all their old work. A Resolution was moved by the Honourable the Leader of the Opposition in this House asking for reservation of posts in the railways for each community. In 1937, the Honourable Pandit Kunzru moved a Resolution asking for a greater number of posts in the Secretariat for Indians in the Civil Service. All these things showed that they were not very sure about the impartiality or that they thought that something more could be given to Indians. But “ Indian ” does not mean in the vocabulary of my friends “ Muslims ”. By “ Indian ” they simply mean “ Hindus ”, and in that sense they have been asking all along. Every opportunity which is given to my Honourable friends to call for Indianization is used with that motive.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Is all this relevant to the Resolution, Sir ?

THE HONOURABLE THE PRESIDENT : I am following his argument to see if it is relevant.

THE HONOURABLE MR. HOSSAIN IMAM : I am afraid of what will happen to my community when you have the I.C.S. reserved for Indians ; as in reality it will be for the Hindus ; what is the case at the present moment ?

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Are not my friends asking that there should be no reservation, no favours, nothing of the kind, the officers are there, they may select Muslims or they may not select Muslims. *The examiners will be Hindus, the officers will be Hindus, and the Muslims can have no place.* That is the prospect which was held out by my Honourable friends to us the day before yesterday—

THE HONOURABLE THE PRESIDENT : Your amendment is to delete the word " British ".

THE HONOURABLE MR. HOSSAIN IMAM : With that, Sir, the Resolution will mean that there will be no recruitment to the I.C.S.

THE HONOURABLE THE PRESIDENT : That is another point.

THE HONOURABLE MR. HOSSAIN IMAM : If the amendment is put in, the Resolution will mean that I do not wish to have any recruitment to the I.C.S. for the duration of the war. I cannot consent to the Indianization of the I.C.S. without making my own position secure, and if they have not sense enough to assure the minorities, then God help India. Even now, today, the Honourable Member said that the condition precedent laid down by Mr. Amery of composing the differences was unreasonable. Everything must be decided by the Saint of Sabarmati and Malabar Hill can have no place. These are the things which are driving us towards Pakistan. It is your own action which will be forcing us to regard ourselves not as Indians, because you do not count us as Indians. It is you who are turning us into Pakistanis.

THE HONOURABLE MR. P. N. SAPRU : What do we count you as ? Moroccans ? Libyans ?

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : Foreigners.

THE HONOURABLE MR. HOSSAIN IMAM : Yes, foreigners to be enslaved. We are there to take the place which is being vacated by the Harijans. You are lifting them up to make room for us. I shall not dilate on this point. I have to concentrate on the main Resolution.

Sir, the composition of the I.C.S., if it is looked into deeply, will be found to contain many elements justifying stoppage of recruitment at the present moment as a temporary measure. First of all, no service in India, or for the matter of that, in the British Empire or anywhere in the world, has got a recruitment strength equal to that of the I.C.S. For every 100 posts, you were recruiting formerly 202.79 per cent. and now you are recruiting 184 per cent. For one post you recruit two men. That is the position of the I.C.S. Secondly, Sir, the rules which were framed in 1924 by the Lee Commission did not consider the effect of this new constitution of 1935. It is necessary that there should be a halt in the increase in the numbers of the I.C.S. so that there may be an easier adjustment. The position has been stated by the Honourable Mr. Conran-Smith that at the moment we have 1,205 people in the Service. When I moved my Resolution in 1933, on the 11th September, the number in the Service was 1,158, with 604 superior posts. During the interval from 1933 to 1941, the Government have done one good thing. They have reduced two of the reserves which they used to maintain. The inferior posts reserve was 38.70 per cent. In my Resolution I had asked that it should be reduced to 23 per cent. But the Government have reduced it now to 26.09 per cent. There

has been an appreciable reduction in the inferior posts reserve. The leave reserve, Sir, was framed at a time when long leaves were the fashion and when the passage to England used to take a long time and when the Service consisted of nearly 70 per cent. of British personnel. At that date, Sir, the rules were framed with the result that formerly you had 41.49 per cent. as the leave reserve. And now at the present moment it is 37.72 per cent. Even now I venture to suggest that the leave reserve is excessive. If you examine the number of people on leave and the duration of the leave you will come to the conclusion that my suggestion in my past Resolutions of a 25 per cent. reserve is not small and is really based on the actualities of the situation. If you stop recruitment to the I.C.S. now the result will be that you will be saved from having so high numbers of incumbents for so small numbers of posts. At the moment you have created a certain number of extra posts for the purposes of the war for which you are engaging not only the I.C.S. but also retired personnel of other services. There is no reason why retired I.C.S. officers should not be taken and kept on in these war work posts where it may be necessary.

Secondly, Sir, there is the question of the listing of the posts. The Honourable Mr. Sapru kept silent about that aspect. As far as I remember during the time when the Simon Commission was touring India many of the Provincial Governments submitted memoranda to it and I think nearly half of the provinces suggested provincialization of the services, just as they have now provincialized the Indian Educational Service, the Indian Service of Engineers, the Indian Forest Service. No appointments to these services of Europeans are now made by the Secretary of State ; they have become provincialized. I have also a hazy recollection (I have not been able to verify it), that even in the Joint Memorandum some suggestion was made that there should be a provincialization of the I.C.S. This is the third aspect of the matter with which I am particularly concerned at the moment. When I suggest that you would be justified in stopping recruitment altogether the advantage would be that you will maintain the *status quo*. You will not be mortgaging the future of India to those whom you are going to take in today. Has the Honourable Member forgotten that the pay of the I.C.S. is altogether out of keeping with the capacity of the taxpayers, or the *per capita* income of India. Does he think that it makes a man a better man by giving a higher pay and a worse man if he gets a smaller pay ? Gokhale was getting a very small pay, but was he a small man on that account ? Pay does not make a man big or small. It is the man himself who counts. Then there is the Congress suggestion of having a maximum of Rs. 500 a month, and Congress had the control in seven provinces. So, Sir, it would be better and more in keeping with the realities of the situation if you were to leave the Civil Service in the condition in which it now is pending the inquiry which has been promised by the Government into this whole question. I do not deny that Indians, including the Muslims, have a right to serve their country and to get a greater share in the services, but that does not mean that we should marry in haste and repent at leisure, that we should go on recruiting Indians without fixing their pay, without fixing the proportion in which services are recruited, without any examination of the Government of India posts which are carried by the I.C.S. For instance, you have no need for I.C.S. officers in the Posts and Telegraphs Department. That Department has services of its own and has its own cadre. There is no necessity for retaining three I.C.S. posts for that Department. Similarly is the case of the Customs. Formerly we had no Customs Service. Now the Central Government has a Customs Service. The same is the case of the Indian Audit and Accounts Service, a good service recruited on an

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all-India basis, a fully Indianized service. Why should we have I.C.S. officers thrust in there. All these are very big questions of policy which should be inquired into and on which you cannot come to a haphazard decision. The matter must be considered fully. I also, Sir, disagree with the present policy of the Government of India by means of which they have increased the number of posts for the Government of India on the I.C.S. cadre enormously since 1934. That is the last year for which I was able to get figures, and I find that the number of officers is almost 80 per cent. higher now than 1933. I am not referring to the special posts which have now been created. I am referring to the ordinary strength. I had expected that the Wheeler Committee's Report and reorganization of the Secretariat, when the pool of officers was formed, would have resulted in a reduction of I.C.S. officers. On the contrary it has resulted in an increase of I.C.S. officers required for the Central Government.

Then, Sir, there is another aspect of the question, which though the last is not the least. I refer to those who are now entering the war services, Indians and Europeans both who have offered themselves for service in the war. Are you going to turn them out when the war is finished? During the war they are wanted; you give them pay and ask them to go and offer their lives. Do not forget what happened after the Great War. Any number of people were thrown on the markets of the world unprovided for, and there was nothing done for them. I saw only recently a speech of Sir Maurice Hallett's at Cawnpore or Lucknow in which he said that his Provincial Government had stopped recruitment to the Medical Services in order to keep those places warm for those who are entering the war services. Could we not do something on the same lines to stop recruitment for the present and after the war the people with the war services could be obtained in the I.C.S. and other services. They should be given that opportunity and it is the least that a grateful country can do, to offer them some sort of employment in the Civil Services after the war; when today they are ready to sacrifice themselves for the sake of the country. Mr. President, I for one would earnestly request the Government to consider the feasibility of stopping recruitment to the I.C.S. and other services for the present in order to give facilities to those who have volunteered for war services—in all services and not only in the I.C.S. in respect of which I have brought forward this amendment.

Sir, I move.

THE HONOURABLE THE PRESIDENT: The debate will now proceed simultaneously both on the original Motion and the amendment.

THE HONOURABLE SIR RAMUNNI MENON (Nominated Non-Official): Sir, there is a slight ambiguity in the wording of the Honourable Mr. Sapru's Resolution, but under existing conditions that ambiguity does not matter much; and it is quite easy to interpret the Resolution. Strictly interpreted, the scope of the Resolution, it seems to me, is very limited. The Honourable Mr. Sapru, by means of a question which he put earlier in the day, gave us a kind of author's preface to his Resolution.

(At this stage the Honourable the President vacated the Chair, which was taken by the Honourable Sir David Devadoss.)

As might have been expected, and as he has made perfectly clear in the course of his speech, the purpose which he has in mind and the purpose which he intends the Resolution to serve is very far-reaching. In fact it goes far beyond what the scope of the Resolution would warrant one to expect, and it is quite clear that the subject which we are discussing is not

only complicated but controversial. If further proof of my statement is required, it is amply provided by the immediate reaction to his Resolution which the Honourable Mr. Hossain Imam's amendment has supplied. It seems to me, therefore, that we are really embarking upon the discussion of a very complicated and controversial subject. While that is so, I think I can claim that we should speak on the Resolution as worded and I propose to say a word on it. What does the Resolution ask us to do? It asks us to make a recommendation, or to ask the Government of India to make a recommendation, to the Secretary of State in regard to a matter in which he is the sole authority, and our recommendation presumably will be based on a knowledge of conditions on which he will be the best judge. Nobody is in a better position to appreciate the difficulties of recruitment in Great Britain today than the Secretary of State himself, and if he has not already made up his mind as to the course of action which he should pursue, I do not for a moment imagine that any advice that this Council might communicate to him would influence his action in the least. If the Government of India are prepared to recommend to the Secretary of State the line of action that is suggested in the recommendation, well and good. But if they do not do so, I do not think the Secretary of State will hesitate to take the action that he considers proper; so that as far as that simple aspect of the Resolution is concerned, I do not think we gain anything by passing the Resolution.

Now, let us come to the larger aspect of the subject, an aspect which, as I have already said, is not only complicated but highly controversial. Various points have been discussed today which show the controversial character of it and I should like to mention a further point. Quite recently a Government communique was issued fixing certain proportions or provincial quotas for the candidates from various provinces to be recruited to the I.C.S. in future. That is a controversial matter in itself and further the proposal leads to the thought why if we are prepared to fix a quota for the candidates we could not go further and fix similar quotas for the recruits also? Why cannot a province provide the number of recruits that it needs? That opens up the further question why we want an all-India service at all and that question is intimately connected with constitutional questions; so that it is quite clear to me that the subject we are debating is a highly controversial subject.

The first question which I would like to ask myself and to ask the Council is this: is this an opportune moment for discussing and disposing of this controversial subject? It seems to me it is clearly not. There are indications, very clear indications, that after the war conditions in the world at large and I hope in this country also will be totally different from what they are today. Those conditions will certainly require a fresh outlook on the part of all. They will require a new orientation of administrative policy in the Government of India and in the Provincial Governments, an orientation which will involve a reorganization, after careful examination of course, of all the public services in India. Quite apart from this consideration, constitutional changes of great moment are bound to come and those changes will automatically involve a readjustment in the relation of the services to the Government and changes in the position, composition and conditions of service of all the Indian civil services. A re-examination of the whole question is inevitable. I am mentioning this quite apart from the statutory obligation to which reference has already been made by other speakers, by which the Government of India are bound to undertake a review after an interval. The period of the interval is not precisely mentioned, but it is quite obvious that the constitution contemplates a review at not a very distant date. It seems to me that a momentous change is

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bound to come after the war, a change which must involve a re-examination of all these questions which are engaging our attention today ; and I have no doubt in my own mind that that is the opportune time for the examination of the highly complicated and controversial question which we are attempting to tackle today. By that time I hope many of the communal and political passions which are now at white heat will have subsided and it is my firm conviction that when the time for that inquiry comes, we shall be in a better mood and in a better position to appreciate the various points of view which are relevant to the subject and to come to a satisfactory solution.

There is one point more, Sir, to which I would like to refer. Both the original Motion and the amendment recommend suspension of recruitment. There must be vacancies to be filled up if either the amendment or the Motion is accepted. How are these vacancies going to be filled up ? My only point in raising this question is to utter a note of warning. I hope that the facile system of nomination which is so pleasant to the bureaucrats will not be adopted, because that is a system which in the public mind is always associated with nepotism, favouritism and jobbery. Whatever the Government's attitude may be in regard to the filling up of these vacancies, I hope the system of nomination will not be adopted.

On the whole, Sir, I think the best plan is for both the mover of the original Motion and the mover of the amendment to agree to the postponement of the larger consideration of this question to the time when all these questions are bound to come under review.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution and I shall give the reasons which have led to this decision. In wartime the best men ought to go to the front and therefore I consider that if recruitment goes on we shall not be getting first rate men into the Service but only those men who for some reason or other cannot qualify for active service in the field. I admit, Sir, that the I.C.S. of the past was certainly a glorious body. We had the very best men in it and even now, Sir, we remember with feelings of gratitude some of the officers who came out in those days. My friend Mr. Hossain Imam observed that the Mussalmans would be entirely cut off and he made a reflection upon what I said the other day when the Muslim League Party walked out on the Railway Budget discussion. Sir, it is a fact that owing to the communal representation in one of the most brilliant and gifted Service, the efficiency of the Service has gone down. I will give my Honourable friends an instance. In the Punjab, one of the nominated I.C.S. officers was deemed by the Judicial Department as well as by the Executive Department to be incompetent but because he was under a covenant he was allowed to serve on. That, Sir, certainly creates discontent among the public and it certainly brings down the efficiency of the Service. I do not want to mention names but my Honourable friends can take it that I am relating a fact and a bare fact which cannot be denied.

THE HONOURABLE MR. HOSSAIN IMAM : The I.C.S. numbers 617 and you have only given one instance.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Sir, I am talking of the I.C.S. in the Punjab, and there are not 617 I.C.S. in the Punjab. If I give further details it will be very easy to spot the officer concerned and so I don't want to do that.

THE HONOURABLE SIR MUHAMMAD YAKUB : But why do you judge the country on the standard of the Punjab ? The Punjab is really rotten, whether I.C.S. or non-I.C.S.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Sir, it is want of knowledge of the Punjab which makes him say so, so I will excuse him. He cannot refute what I have said because it is a fact. There may be people who should not have been so condemned by both departments but I know, Sir, that as a result of communal representation there has been a lowering in efficiency. I must say, Sir, that past experience of selection for the I.C.S. on the basis of communal representation shows that it has not resulted in any improvement in the Service but rather in its disimprovement.

The other reason for which I support my Honourable friend's Resolution is that in that Service we require really tip-top officers. With regard to his suggestion of communal proportion, this will work all right if you get equally capable and efficient men in the Service. But the selection should be made from among those persons who appeared in the competitive examination but unfortunately did not attain a sufficiently high position in the result. That is all right, Sir. After all, we should get not fourth grade men but second grade men. I do not oppose Mussalmans having their due share. But we must not take those men who will be a factor in bringing down the efficiency of a Service which has done so eminently well in the past.

Now, Sir, my Honourable friend also said that he would like this suspension to apply to all Services. I think the reason which led the Honourable Mover to move this Resolution was that as in England the best intellect is required to further the cause of the war and serve in the war, India would only be getting second grade men in the Service. Therefore, Sir, I have the pleasure of supporting the Resolution of the Honourable Mr. Sapru on these grounds.

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 Sir David Devadoss in the Chair.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Sir, the Resolution moved by my Honourable friend Mr. Sapru is of considerable importance and it was moved with a restraint and knowledge in keeping with the importance of the subject. I should hardly have thought, considering the dignity with which the Mover spoke and the scrupulous care which he took to make it clear that he was not actuated by racial or communal considerations in moving his Resolution that anybody here would accuse him of bringing forward this Resolution in order to promote the interests of any particular community or to run down any of the minorities in this country. Yet, to my amazement, the Honourable Mr. Hossain Imam has, I think in a spirit of complete irresponsibility, brought a wholly unwarranted charge against him. My Honourable friend Mr. Hossain Imam is a student of public affairs. Apart from this he was associated with this side of the House for a number of years. Yet, he has accused us of harbouring designs against the minority communities which are without any foundation in fact. I was astounded when I heard his speech which was full of mischievous, poisonous—I had almost said malicious—statements. He accused us of taking the word "Indian" to mean "Hindus" only and to

[Pandit Hirday Nath Kunzru.]

work in that sense for Indianization. I am sure that had my Honourable friend meant that he should be taken seriously, he would have spoken with greater regard for truth. But, as he has completely disregarded facts and indulged in wholly wild accusations merely because we supported the view of Sir Andrew Clow that promotions should not take place on communal considerations, I can only treat his remarks with contempt. I am sorry to say this about anything uttered by my Honourable friend. But the spirit in which he spoke, the wholly untrue charges that he brought against us, require that I should not mince my words and should let him understand that if he wishes to be taken more seriously, he must even when speaking on subjects which may not be to his liking observe the restraint and regard for facts which usually characterize his speeches.

Sir, let us examine my Honourable friend Mr. Sapru's Resolution in order to see whether it can directly or indirectly injure the interests of any minority community. Let us suppose that recruitment in England is completely given up. What is there in that eventuality to warrant the charge that the extra posts for which recruitment would be made in India would be made over entirely to the Hindus? Recruitment for a certain number of posts which vary from year to year is made annually in this country. In making this recruitment Government have taken steps to protect the interests of the minorities. If the number of posts is doubled or trebled or quadrupled, why should not the same method continue in operation? How can an increase in the number of posts disturb any proportion for the distribution of vacancies among the various communities that the Government of India have fixed?

THE HONOURABLE MR. HOSSAIN IMAM: Does the Party support reservation for the minorities?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: The Honourable Member is not in the slightest degree entitled to put that question. Had he any doubt on that point, he should have in a courteous manner put this question to the Mover of the Resolution. Let me say, however, that the Mover did not utter one word in his speech which could suggest even to the most suspicious person any desire on his part to do away with or reduce the representation of any minority community. My Honourable friend cannot get rid of his responsibility for the wholly unwarranted remarks that he made by putting the question that he has just done. That question has nothing whatsoever to do with this Resolution, and he knows that it is wholly irrelevant. The Resolution moved by the Honourable Mr. Sapru suggests no change in the method of recruitment in India. Consequently there is no room for the question put by Mr. Hossain Imam.

The step suggested by the Mover of the Resolution may seem to be a very radical one. But although he did not mention it, I think his request derives support from the steps taken by Government in respect of certain imperial services. Take the Indian Medical Service. The old method of recruitment to it has been changed. No permanent commissions are to be given during the war in England. Take again the case of the officers required for the army. The old method has been abandoned here too and emergency commissions are being given. It is not therefore too much to ask that the method of recruitment to the I.C.S. should also be changed. Now, I may be told that in the two services that I have mentioned a large number of men will have to be recruited because of the exigencies of the war and that, if the only

method of obtaining them was by offering permanent commissions it would prove quite impracticable at the present time. This is true. Government will require a much larger number of men at the present time than they will require after the war. They will be able to make a selection for the award of permanent commissions only after the war. But a change has also taken place in regard to the method of Indian recruitment, the number of Indians to be recruited and the manner in which they are to be employed. Owing to the large number of men required Indians too are being recruited in much larger numbers than before, and we ask that in this Service also a greater opportunity should be given to Indians to occupy posts of responsibility than they have had hitherto. I may be told that the cadre of the I.C.S. is not to be increased even during the war. The demand contained in the Resolution is therefore not justified. If this question is looked at from the narrow point of view of numbers alone this argument may appear to have some force. But if the matter is considered on wider grounds, if the spirit of the changes that have been already made are taken into account, if it is realized that the safety of India will depend to a much larger extent on the officers that are being recruited for the army than even on the members of the I.C.S. and it is considered that among the new officers there will be a much larger number of Indians than before, there is no reason why there should be any hesitation on the part of the Government in accepting the request made by the Honourable the Mover.

Apart from this, Sir, I think I can advance a very cogent ground for the acceptance of the Resolution. Till 1935 the I.C.S. was recruited by absolutely open competition. That is, the candidates who appeared for the examination were appointed in the strict order in which their names appeared in the competitive list. But this method was changed in 1936 and the Secretary of State announced that two important changes would be made. One was a limitation on the number of Indian candidates who would be allowed to take part in the competitive examination held in England, and the other was that in order to make up the shortage in the number of European officers which should have been appointed according to the 50:50 ratio recommended by the Lee Commission selection would have to be resorted to. This year I believe the method of entry by means of a competitive examination has been completely stopped. All those candidates who are recruited in England will be nominated by the authorities. Now you have recruitment by nomination in England and recruitment by means of a competitive examination in this country. I ask which of these two methods is better? I am sure that the superiority of competition over pure nomination will not be denied by at any rate any appreciable number of Members of this House. This being so it is obvious that the present method of selection gives rise to the feeling that the young men who will be nominated in England may not be of the same qualifications as the men obtained in India. Now, as there is no dearth of suitably qualified men here, as the conditions prevailing in this country do not interfere with the conduct of the I.C.S. examination in the least, are we not entitled to ask that recruitment to the I.C.S. should not be completely controlled by racial considerations during this war? Are we not entitled to ask that at any rate during the war when the British Government relies to no small extent on the support of India larger opportunities should be given to qualified Indians to enter the I.C.S. which they have always regarded as the most important service in this country. I hope that what I have said has shown that we are not making an extravagant demand in asking that the British recruitment should be put a stop to. This is desirable on political grounds also. We have to bear future constitutional changes in mind. My own view

[Pandit Hirday Nath Kunzru.]

is that recruitment in England should be completely stopped, that neither British nor Indian candidates should be appointed in England, because the appointment in either case would depend on nomination. In asking for the acceptance of the Resolution before the House, I should like to draw attention to the fact that it only asks for the suspension of the present method of recruitment during the war. Certain wider questions were raised this morning. We were told that this was not the proper time for a change and that if any change was made recruitment to the I.C.S. should be completely stopped and officers drafted presumably from the provincial services in order to discharge the functions now assigned to members of the I.C.S. Sir, it is precisely because of the war that the Resolution asks for a temporary change only. Were we to stop recruitment, direct recruitment to the I.C.S. altogether, we would go much further than the present exigencies warrant; and besides we might be committing ourselves before full inquiry on a crucial point. I express no opinion with regard to the form the recruitment to the I.C.S. might take in future. But it must be borne in mind at the present time that any change in the present method, that any abandonment of direct recruitment to the I.C.S. is a matter of fundamental importance and should not be resorted to without a full inquiry. That inquiry is not possible at the present time. We can therefore only make recommendations of a temporary character. The Resolution accordingly asks for a change in the method of recruitment during the war. It suggests that British recruitment should be stopped, although it could have suggested the stoppage of recruitment in England altogether and requires by inference that the vacancies in the I.C.S. should during the war be filled on the result of an open competitive examination held in this country. If it is allowed, Sir, that the past method of recruitment to the I.C.S. has proved successful, then I am sure it will have to be allowed that a competitive examination is better than pure nomination; and as an examination is not possible in England but is possible in India, there is absolutely no reason why you should, purely on racial considerations, choose a certain number of men in accordance with a method which Government themselves would not have preferred in normal circumstances. There is no practical difficulty, Sir, in the way of the acceptance of the Resolution. The only difficulty lies in the sentiments of the Government. If they can free themselves from racial considerations, I am sure they will promote the efficiency of the I.C.S. to which the greatest importance is very rightly attached and give unalloyed satisfaction to Indian sentiment in this country.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, though the Honourable Mover restricted himself to only a few points while moving the Resolution, the discussion that has taken place on the Resolution has made it abundantly clear that the matter which this Resolution has raised is one of very great importance, that it raises issues which are very complicated and far-reaching in their nature. My Honourable friends who have taken part in the debate have traversed much larger ground than what would appear to be the scope of the Resolution at first blush. In giving this Resolution a much larger scope than was given to it by the Honourable Mover, I feel that my Honourable friends who have either supported or opposed the Resolution have done the very right thing in making matters quite clear. It cannot be doubted that this is a Resolution which raises questions which are not only complicated in their nature but also highly controversial, and this would appear from the conflicting opinions held and expressed by different sections in this House. Though my Honourable

friend Pandit Kunzru who has just resumed his seat has stated that the Resolution is perfectly innocuous, that there is no necessity for anybody to be frightened at it, even though he made this remark at the outset of his speech, I am afraid he did not succeed in giving effect to what he himself enunciated as the principle which should be adhered to in discussing this Resolution. Though my Honourable friend Pandit Kunzru said at the outset that there was no reason for the minorities to fear that the present system would be changed and that the interests of the minorities would not continue to be protected, in the latter part of his speech he made observations which were directly in contradiction of what he himself stated at the outset, because my Honourable friend at the close of his remarks said that the one course which he would accept for selecting people for such high posts as the I.C.S. should be only an open competition, competition pure and simple! That went to show that the system of nomination is allowed to go by the board. Then again the Honourable Mr. Hossain Imam was found fault with for importing communal matters into the discussion. I feel, Sir, that the responsibility lies not with my Honourable friend Mr. Hossain Imam, but possibly with the Honourable the Mover of the Resolution who in one of his remarks that he made unwittingly gave some room for this section of the House to feel—

THE HONOURABLE MR. P. N. SAPRU: What was that?

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: The Honourable Mr. Sapru while dealing with the speeches made by Mr. Amery said that the conditions precedent that the Secretary of State for India laid down for the country to attain full Dominion Status of the Westminster variety were not to his liking, that those conditions appeared to him as being unreasonable, and he also made it clear that the one thing which particularly made it unreasonable was the insistence that the Secretary of State laid on communal agreement. So, Sir, those remarks go to show the undercurrent which was working in and influencing these matters, the ultimate idea which seems to haunt the minds of some of my Honourable friends in this country, both inside the House and outside, and which are the very reasons which make the minorities suspicious.

And again, Sir, while my friend Pandit Kunzru was very much against 3 P.M. any communal colour being given to such matters, it is a pity that the Honourable the Leader of his Party indulged to a great extent in it, and that he not only said a lot about this aspect of the question but even went to the length of giving some instances as to the inefficiency of certain individuals in his own province. The question of efficiency and inefficiency is a matter which is of a very doubtful nature. It all depends upon who is to judge the efficiency.

After all, candidates who are nominated to the I.C.S. are such as have already qualified themselves by getting the prescribed percentage in the written part of the examination. So, Sir, the selection is made only out of such persons who have already given proof of their intellectual calibre. However, Sir, I also wish with my friend Pandit Kunzru that the occasions may become fewer and fewer when these communal controversies are raised in this House and communal trickeries are indulged in. I wish, Sir, that the outlook of my friends who belong to the larger community in the country would change so that those who are not quite as strong as themselves numerically might have no ground to be apprehensive about their rights and liberties.

[Saiyed Mohamed Padshah Sahib Bahadur.]

Now again, Sir, just one word about what was said by my Honourable friend Sir Ramunni Menon. I support the view he has expressed that, when there is a limitation as to the number of candidates from any province, there should also be a limitation in the number of recruits from that province. It has been our experience that in the matter of nominations, the nominations have very frequently been from certain favoured provinces—

THE HONOURABLE SIR RAMMUNNI MENON: On a point of personal explanation, Sir. I did not express it as a deliberate conclusion to which I had come. I only raised the issue.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: I say that, like you, I recommend that there should be a limitation to recruits from certain provinces. I think that this thing should be insisted upon because this would go to prevent a large number of nominations going to one or two favoured provinces in the country. When there are nominations, the nominations should be evenly distributed. The nominations are made after all from among those candidates who qualify themselves at a test and when you have such candidates before you you will have to make your field of nomination a little wider and give the benefit to provinces which have never or seldom been favoured. Sir, I oppose the Resolution and do so because it seeks to prejudge the issue which can be settled only after a thorough and comprehensive inquiry is made into the whole question of services, and such an inquiry cannot be launched upon while the war is on.

THE HONOURABLE SIR MUHAMMAD YAKUB (Nominated Non-Official): Mr. Chairman, at a time like this, when the fate of the whole world is hanging in the balance, when Might is ruthlessly trampling over Right, when minorities are being relentlessly crushed by the majorities and the tyrant Dictators in Europe, at a time like this, when not only the Hindus and Mussalmans but all the people living in India, Hindus, Mussalmans, Parsis, Sikhs and Europeans, should all consolidate themselves, when we should all close our ranks, when we should all concentrate all our energies and attention to meet the common misery, at a time like this, I say it is extremely unfortunate that a Resolution of this nature should have been moved this morning; and particularly it was couched in a language which was extremely improper and unreasonable for the conditions in which it has been moved.

Mr. Chairman, the fate, as I said, of the whole world is now in the melting pot and it seems to me that the next few months will be pregnant with events abnormal in the history of the world, and full of events which cannot be paralleled in the history of any country up to this time. At a time like this, to ask the Englishman, who is being incessantly bombed day and night by the ruthless armies of Hitler, and whose courage, patience, fortitude and patriotism has astonished the whole world, at a time like this to ask that the English youth should be deprived of recruitment to a highly remunerative Service is, I think, contrary to the Eastern ideas of culture and Eastern feelings of politeness and good-breeding. The Resolution itself was rather limited in its wording. The Mover asked that recruitment should be suspended during the war. But he has not given any reason why recruitment should be suspended during the war. On the other hand, in his very eloquent written speech he repeated the old arguments of the Congress about the proportion of Englishmen in the Services in India. Therefore I say it was very wrong to have moved this Resolution in the language in which it was moved.

Mr. Chairman, my friend the Honourable Pandit Kunzru blamed my friend the Honourable Mr. Hossain Imam for importing communalism into the discussion of this Resolution but in making his attack I think he imported more vehement and more bitter communalism than was disclosed by the Honourable Mr. Hossain Imam. Probably, the only difference was—

Āstīn meṇ dashnā pinhan hāth meṇ khanjar khulā.

THE HONOURABLE MR. P. N. SAPRU: Please translate. I do not understand this language.

THE HONOURABLE THE CHAIRMAN (the Honourable Sir David Devadoss): Order, order.

THE HONOURABLE SIR MUHAMMAD YAKUB: An Englishman may not understand my language, but I am surprised—

THE HONOURABLE THE CHAIRMAN (the Honourable Sir David Devadoss): Order, order. Please address the Chair.

THE HONOURABLE SIR MUHAMMAD YAKUB: Mr. Chairman, I am really surprised that a man who has some connection with our veteran leader, the Right Honourable Sir Tej Bahadur Sapru, who commands the confidence and respect of all the communities in India, should not understand my language. However, I say that Pandit Kunzru imported bitter communalism than was imported by Mr. Hossain Imam, and I earnestly appeal to both my friends that at a time like this, when we do not know what would be the result of the war, when we do not know what would be the fate of India after a few months, when we do not know whether the fabric of the civilization, which has been built up in India during the last two hundred years, will stand as it is or will be shattered to pieces, it is futile altogether to move a Resolution like the one which has been moved today. I think it is time that we should all unite ourselves and we should avoid bringing forward any Resolution or doing anything which is bound to embitter feelings. Whoever may be to blame, whether my Honourable friend the mover of the Resolution and his supporters or the Honourable Mr. Hossain Imam and his supporters, the result is that feelings have been embittered. While we want that in these days our feelings should not be embittered. I appeal my friends to close our ranks, and suppress all our communal feelings, we should unite for the prosecution of the war; what is the use of moving a Resolution like this? What is the good if a few Englishmen are not recruited during the continuance of the war? How will it change the fate of India? It shows that we have got no breadth of vision, that we lack in statesmanship and that we have lost our sense of toleration. Therefore, Sir, it was highly improper that this Resolution was moved at this time and I cannot but oppose it.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar: Non-Muhammadan): Sir, I just want to take two or three minutes of your time. I am rather sorry at the unfortunate turn the debate has taken. I will take up just two points, one raised by the Honourable Sir Ramunni Menon and the other by some of my Mussalman friends. I shall not enter into any criticism of the latter. I shall only ask them one question. I shall start with the remarks of the Honourable Sir Ramunni Menon. He started by entering into an analysis of the wording of the Resolution and came to the

[Rai Bahadur Sri Narain Mahtha.]

very natural conclusion that it is the intention of the mover to make a recommendation to the Secretary of State to stop recruitment to the I.C.S. in England. After reaching this very correct conclusion from the wording of the Resolution, he came to his arguments. When he developed his arguments, he told us that the Secretary of State is the best person to know what the difficulties of recruitment are, and that there is no use making a recommendation to him. That, I consider, a very funny argument, because, Sir Ramunni Menon and the other speakers who consider the subject to be very complicated, must always remember that the Secretary of State has already realized the difficulties of recruitment in England. He has already stopped the examination and he is by means of a very perfunctory test—what you call the *viva voce* test—nominating all the candidates who are now-a-days being recruited to the Service. Our point of view is that the system followed at present in England is very unsatisfactory and should be given up. Can this House consider merely a *viva voce* test a sufficient test for recruitment to such an important Service? That is the first point that I wanted to make.

The second point which I want to make is this. The Honourable Saiyed Mohamed Padshah and—unfortunately, I was not here when the Honourable Mr. Hossain Imam was speaking, but I gather from others—that they both expressed the view that the interests of the Mussalmans would suffer if recruitment in England were stopped. I cannot understand how this can be so? What are the special facilities which the Mussalmans have in England? Have they any better facilities in England than in India? Before they attacked the Resolution they should have adduced at least one ground to show how and why they consider they have better facilities if recruitment is done in England and lesser facilities if it is done in India. There are many Mussalmans, as there may be many Hindus and members of other communities, who may not find their purses sufficient to enable them to go to England and I cannot see how this Resolution can at all be attacked from the point of view of convenience or equity. As to lack of facilities in India and better facilities in England, I really wish somebody had thrown some light, because that has been the principal line of attack, and I am rather sorry that not one single Muslim Member has put forward any reason to show that there are better facilities for recruitment of Mussalmans in England and lesser facilities in India.

THE HONOURABLE KHAN BAHADUR SHAMS-UD-DIN HAIDER (Nominated Non-Official): Mr. President, I rise to oppose the Resolution moved by my Honourable friend Mr. Sapru. Sir, I was surprised to find that a Resolution of this nature was tabled by an Honourable Member who has always advocated the test of superb efficiency in recruitment to the public services. If my memory is not short, it was only 48 hours ago that my Honourable friend Mr. Sapru was vehement in his condemnation of any slackness in the choosing of efficient men to all the different branches of the public service. Sir, the I.C.S. is admittedly the highest and most responsible administrative service in India and there is no gainsaying or disputing the fact that the Britishers who come out to India to that Service and also those Indians who receive their education in England and compete there in the general competition are very much more efficient than many of the recruits selected and appointed in India. Proof of the above assertion has come out in the speeches of my Honourable friends Mr. Sapru and Rai Bahadur Lala Ram Saran Das. Mr. Sapru has paid—and rightly so—glowing tributes

to the work of many of the British members of the I.C.S. and Rai Bahadur Lala Ram Saran Das has quoted an instance from his own province of an inefficient member of the I.C.S. recruited in India.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Recruited by nomination.

THE HONOURABLE KHAN BAHADUR SHAMS-UD-DIN HAIDER: It may be nomination or competition, I do not know. You did not say that, when you quoted the instance. The Honourable Mr. Conran-Smith has in answer to a question of the Honourable Mr. Sapru informed us that 11 Britishers were recruited last year to the I.C.S. by selection. He has not however told us anything about their fitness and qualifications. But I have every reason to think that these 11 selected young men are men of merit and of high academic qualifications.

THE HONOURABLE MR. P. N. SAPRU: What are their qualifications?

THE HONOURABLE KHAN BAHADUR SHAMS-UD-DIN HAIDER: That has not been stated, but I presume that they must be men of merit, talent and high university qualification.

THE HONOURABLE MR. HOSSAIN IMAM: May I state that they are graduates of English Universities. That is a condition precedent to selection there.

THE HONOURABLE KHAN BAHADUR SHAMS-UD-DIN HAIDER: I can quote from my personal experience. I have known Britishers who have come by selection and I have known them to be superior to many of the recruits taken in India either by selection or by competition. I am not going to name them because I do not think it would be proper for me to do so. It may be argued by the Mover of the Resolution that the recommendation contained in his Resolution has a limited scope, but, Sir, as long as efficient recruits answering the proportion fixed can come from England in spite of the war, why should efficiency be sacrificed and why should my Honourable friend Mr. Sapru of all others press it. Nobody can predict the duration of the war. No doubt every right-thinking and sane person not only wishes but devoutly prays for its early termination and for a glorious victory of Great Britain and her friends.

There is another good reason, Sir, why such a suspension is undesirable. In no country every young man is meant for military service or a business line, and there may be hundreds of young men in the United Kingdom with meritorious academic qualifications who may be looking forward to a career in the civil services. To suspend their recruitment for any period will not only cause disappointment but a real hardship.

Sir, I also oppose the amendment of my Honourable friend Mr. Hossain Imam because he has not made it clear what concrete suggestion he has to offer for the recruitment to fill up vacancies that may be caused during the period of the war.

Sir, I oppose.

THE HONOURABLE MR. HOSSAIN IMAM: On a point of personal explanation, Sir. May I say that I intimated that the training reserve and the leave reserve *plus* the listed posts may be utilized.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary): Mr. Chairman, the debate in this House today on the Resolution moved by my Honourable friend opposite has followed a somewhat erratic course and I have found considerable difficulty in keeping track of it or in isolating the points which I am required to answer. I noticed a certain lack of unanimity on the part of the main champions of the Resolution, that is to say, as regards the ultimate intention underlying the Resolution. Whatever justification there may be for the ultimate intention of the Resolution, I think I am not doing an injustice when I say that none of the speeches, or only one of the speeches, of those who were supporting the Resolution, made out any case in its favour. I do not myself propose to follow some of the devious paths into which the debate has strayed. In particular I do not propose to stray into the communal field where the debate followed a somewhat explosive course. As regards the amendment moved by my Honourable friend Mr. Hossain Imam I shall have something to say, at a later stage in my remarks. I will only say now that—except in respect of one point in regard to which I have much in common with Mr. Hossain Imam—I find it difficult to follow either his arguments or his arithmetic. As regards his main argument, if I have understood him correctly, he wished to make the position with which the future authorities in this country after the war will be confronted as difficult as possible by leaving them a thoroughly depleted permanent civil service. His object in doing that was—again I speak subject to correction—to protect his community against oppression. I hope I have not libelled him and that he will correct me if I am wrong. But I do suggest to him that he has not given sufficient thought to the difficulties with which he would confront the authorities in India after the war.

If I have understood the Honourable Mover of the main Resolution correctly, he has taken his stand on the constitutional changes to take place after the war, on the ground of which he would urge that the recruitment of Europeans to the I.C.S. should be stopped for the period of the war. His contention, I think, is that since changes are impending which may affect the constitution and composition of the permanent civil services of this country it is undesirable to continue recruitment on existing lines and thus confront those who hereafter will be responsible for administration out here with services composed in a fashion which may not suit their requirements. He made it clear that he had nothing to say against the Europeans as such, but he himself did not need their services in India. I think I was right in understanding his concluding remarks to be to that effect. Although therefore his Resolution mentions only temporary suspension of recruitment of Europeans he gave us to understand that he intended this suspension to be permanent. My Honourable friend Dr. Kunzru, who spoke more strictly to the terms of the Resolution, gave me the impression that he—very wisely if I may say so—was prepared to leave the question of the future constitution of the I.C.S. to be settled after the war. He wished for the moment to reduce recruitment to the I.C.S. with a view to increasing Indianization. The Honourable the Leader of the Opposition on the other hand took a narrower point. He desired to stop recruitment during the war because he anticipated that the level of the recruits during the war would fall, and he apprehended that there would therefore be deterioration in the level of the Service. That, Sir, is a very brief summary of the main lines which I think the debate has taken and I will endeavour as far as I can to answer those various lines of argument.

Let me say, to begin with, that I appreciate the declaration made by my Honourable friend Mr. Sapru that he had no racial bias and I agree that his tone throughout was very restrained. I also acknowledge, on behalf of the Service, the bouquets which he very kindly threw to the I.C.S. as a whole and also to the European members of it. I cannot take exception to the gentle tones in which he used the expression "bureaucrat", especially as he omitted the usual epithet "sun-dried". But as he has used the expression "bureaucrat", perhaps the House will forgive me if I stray for a moment and reminisce in a manner in which perhaps I ought not to, because what I am going to say reflects credit on the Service to which I belong. An eminent American professor visited India not many years ago. He had come to study conditions in India on the spot for his own personal information. When he got back he wrote a book and I was the recipient of a copy. When I opened it I found he had dedicated it to the "two most human men I have ever met" and he proceeded then to mention the names of two European I.C.S. officers. I hope the House will pardon me for telling that story merely to suggest that all members of the I.C.S. are not bureaucrats—not sun-dried ones anyhow. May I say before I leave Mr. Sapru's opening remarks that I trust I shall also be judged to have approached the subject-matter of this Resolution without bias or favour.

I would take first the actual question of European recruitment during the war with particular reference to the observations made by my Honourable friend the Leader of the Opposition and several others. As I have said, he is apprehensive lest there should be a deterioration in the quality of those recruited in England during the war. I should like to assure both him and others who share his fears that so far as I am aware there is no real ground for such an apprehension. I am glad to have an opportunity of saying something on the subject of the method of selection which is being followed at present because circumstances of the war do not permit an examination to be held. In the first place, I think the House should know that European candidates to be qualified for selection to the I.C.S. must have joined, or be preparing to join, the Defence Forces without the expectation of avoiding combatant service, and they must be only those whom the Defence Services are willing to spare in the interests of administration. I noticed in an article in the columns of a Delhi paper this morning a reference to rather similar apprehensions. That journal expressed the hope that Government would make a statement calculated to remove the apprehension that in order to maintain the 50 per cent. proportion of Europeans in the Service not only now but during the period after the war also they propose to keep superannuated people in the Service and nominate all and sundry. I should like to take the opportunity to correct the suggestion that either Government is proposing to retain superannuated people as a general practice or that the Secretary of State will nominate all and sundry. Only candidates who possess the minimum educational qualifications are taken. Moreover they have to be found suitable by a selection committee who adopt the same standards of suitability as are insisted on in normal circumstances. There is therefore no reason to apprehend any deterioration of quality in the recruits taken during the period of the war. I know it is possible to hold two opinions as regards the comparative merits and demerits of selection by examination and by nomination. But I would like to assure the House that we have no reason to apprehend that candidates taken by the Secretary of State in the circumstances which I have described are likely to fall below the level hitherto maintained.

[Mr. E. Conran-Smith.]

I come now to the main point made by my Honourable friend the Mover of the Resolution and the purpose which I have set before me in dealing with it is a simple one. It is to put the case as Government sees it from the practical point of view and from the point of view of the consequences of accepting the Honourable Member's Motion. The intention underlying the existing constitution is that the I.C.S. should be composed of recruits of the highest quality available both in England and in India. The Honourable Member asks that at this juncture recruitment of Europeans should be stopped for the duration of the war. I can assure the Honourable Member that from the point of view of practical administration,—leaving aside altogether the question whether in the circumstances of the war European man-power can be spared from war service,—from the point of view of practical administration, the conditions provided by the war do not provide an argument for tinkering with service problems. On the other hand, at present, more than at any other time, the need is imperative for keeping the organization of the services, especially the security services, intact and unimpaired. The Honourable Member does not perhaps altogether realize the implications of his proposal. In the first place, as has been observed already, no one can foresee how long this war will last. If we agreed to accept the Honourable Member's proposal and to stop the recruitment of Europeans, what would be the effect? Unless the vacancies are filled, I think it is clear that before very long day-to-day administration would suffer and there would definitely be difficulty in meeting demands for staff during the war. On the other hand, if the vacancies which would have been given to Europeans are filled by Indians, then the effect would be that we should be going back on the intention underlying the existing composition of the Service.

And this brings me to my general argument. My Honourable friend has suggested that it would not be proper to prejudge the case for those who after the war will have to settle India's problems—I am not using his exact words but I take it that is what he meant. I suggest to him that that is exactly what he himself is proposing to do. I know he has already met that argument in advance by a mere assertion to the contrary, but nevertheless he has not shown that he is not himself taking the question out of the hands of those whose duty it would be to make a decision hereafter. He talked about mortgaging the future—I think there I quote his words correctly. I would ask the Honourable Member whether he is justified in assuming, as he apparently does, that the authorities who will consider and settle the future constitution of India will necessarily reach the conclusion that at any rate for some years to come a European element in the Service will not be required. That is the decision which the Honourable Member has himself taken and he proposes to ask us here and now to impose that decision hereafter on the authorities who will be responsible for taking the final decision. I suggest that it is for them to take it and not for us. I believe that our duty at present is to transmit to our successors a service machinery in efficient working order—that I believe is our main duty. I submit therefore to this House that where so much is difficult and complex, it would be wrong for us to endeavour to tie in advance the hands of those on whom the responsibility will rest for coming to a decision in this matter and that the path of wisdom lies in leaving things alone for the present to be adjusted according to the exigencies arising hereafter.

I have not very much more to say. I would like to meet, if I can, the point that there is already a sufficiency of Europeans in the I.C.S. to meet

the requirements of post-war years. The House is probably aware that European recruitment last year fell to half the normal and this year we are not likely to recruit more than that number—if the exigencies of war allow even that small number of young Englishmen to be spared. It may be appropriate for me to stress a fact which was revealed by my answer to a question this morning that the 50 : 50 proportion as between Indians and Europeans in the I.C.S. has already been more than attained. The figures at the beginning of this year were respectively 617 Indians and 585 Europeans. The process of Indianization is in the circumstances likely to continue and may, if the war goes on, be accelerated. If this process were to be still further accelerated in the manner recommended by my Honourable friend, the precise effect would be that 10 or 12 years hence officers of a certain seniority would all be Indians and so far as age groups of those years are concerned the process of Indianization would be complete. I am not saying anything either for or against the policy of Indianization. I only mention that point as germane to my general argument that if the principle recommended by my Honourable friend were accepted, we should be prejudging the matter for the authorities whose duty it will be one day to consider it.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Will the Honourable Member allow me to put a question? Will the number of vacancies offered in India for the competitive examination continue to depend on the difference between the number of European and Indian candidates appointed by the Secretary of State for India as at present?

THE HONOURABLE MR. E. CONRAN-SMITH : I wish I could answer my Honourable friend's question, but I am afraid I cannot. It lies in the limbo of the future. It is a hypothetical question the answer to which depends on the progress of events.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : May I make it clear? I am anxious to find out that the recruitment of Indians will not be reduced during the war simply because the Secretary of State cannot get the requisite number of Europeans in the present circumstances.

THE HONOURABLE MR. E. CONRAN-SMITH : I am sorry I misunderstood the Honourable Member. So far as I know there is not the slightest suggestion of doing that. The danger of depleting the cadre of the I.C.S. is obvious and there is no reason to suppose that there will be any proposal to deplete it further by reducing recruitment in India. But I speak without authority. The ultimate authority is the Secretary of State.

I have made it plain I think that Government could not accept my Honourable friend's Resolution as it stands or in the terms in which it is couched, but I am prepared to give an assurance that steps will be taken to bring the terms of the Resolution and the substance of the observations made thereon in this House to the notice of the Secretary of State and I trust that this assurance will satisfy my Honourable friend.

Before I sit down, there are a few observations I would like to make on the amendment moved by my Honourable friend Mr. Hossain Imam. I am not going to struggle with his arithmetic. His figures were right and his percentages were wrong. The increase in the strength of the I.C.S. since 1933 is 47. That increase is due largely to excess recruitment in one or two years to make up for a deficiency in recruitment in preceding years. I want now to devote the concluding portion of my remarks to what I regard as an

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important object of the amendment moved by Mr. Hossain Imam and one, I may say at once, with which I have every sympathy. The problem with which my Honourable friend is partly concerned—an entirely different one from that with which the original Resolution is concerned—is how to safeguard the interests of those who now take up emergency commissions, and how to remove the obstacle which may seem at present to stand in the way of a free flow of applicants of the best class for emergency commissions. That obstacle is, in brief, the counter-attraction of civil appointments with their guarantee of a settled career as compared with temporary commissions the acceptance of which may, as matters now stand, appear to preclude the possibility of obtaining permanent employment under Government. I may say at once that Government are fully seized of that problem, and have been in communication with Provincial Governments and the Secretary of State as regards the best way of meeting it. It may be found that an acceptable solution will be to leave a percentage of vacancies occurring during the war unfilled, that is to say, to fill them temporarily only for the period of the war; with a view to their being available to be filled permanently after the war by candidates with war service. I am aware that some Provincial Governments have already taken certain steps in this direction. Reference was made this morning to at least one Government that has done so, and the urgency of the matter is fully appreciated by the Government of India. I suggest, however, to my Honourable friend that it would not be desirable to stop all recruitment as his amendment proposes, even for the laudable object he has in view. Suppose that the war lasts three years. The effect of Mr. Hossain Imam's amendment would be to deplete the I.C.S. at the rate of 40 per annum with a resultant decline in administrative standards due to a depleted cadre as well as to war staleness on the part of serving officers who will have had no leave. Moreover, serious under-recruitment during the war followed by over-recruitment immediately afterwards produces maladjustment of cadres and overloading of the age groups belonging to the war years.

Finally, I would suggest to my Honourable friend that he is perhaps overlooking the increasing demand for officers both at the centre and in the provinces to meet the requirements of an increasing war effort. If my Honourable friend has any anxiety lest a reservation of a certain percentage of vacancies only might not have the desired effect so far as prospective candidates for commissions are concerned, I would ask him to remember that candidates for war service will have to face a very limited field of competition compared with those who compete in an open examination.

THE HONOURABLE MR. HOSSAIN IMAM: Will Indian officers be selected for war service?

THE HONOURABLE MR. E. CONRAN-SMITH: I am referring now to Indian candidates in India for whom, it is hoped, these vacancies occurring during the war will be available after the war. While, therefore, my Honourable friend will see that immediate consideration is being given by Government to the best means of reaching the object which he himself has in view, he will realize that in view of the considerations which I have stated, Government would not feel justified in accepting his proposal that they should recommend complete stoppage of all recruitment to the I.C.S. during the war.

THE HONOURABLE MR. P. N. SAPRU: Mr. Chairman, when I gave notice of this Resolution, I thought it was a fairly simple one and I had very good

reason to believe that the Leader of the Muslim League in this House, the Honourable Mr. Hossain Imam, would support this Resolution. But Mr. Hossain Imam's ways these days are inscrutable. He has developed a new phobia called the communal phobia, and I think he needs to be psycho-analyzed because, if this phobia develops, I do not know if it might not develop into dementia one day—

THE HONOURABLE THE CHAIRMAN (the Honourable Sir David Adoss): I think you had better avoid personalities.

THE HONOURABLE MR. HOSSAIN IMAM: This will lead to partition and division, Sir.

THE HONOURABLE SIR MUHAMMAD YAKUB: It also seems to be contagious.

THE HONOURABLE MR. P. N. SAPRU: I think Rip van Winkles also find diseases contagious. I can claim for myself that I have no communal outlook. I have no racial outlook. I try to approach every question from the point of view of an Indian who is interested in the welfare of his country. I have no prejudice against the Muhammadan community. I claim to have a large number of friends among the Mussalmans, and I try to be fair and just to the minorities. But I am certainly not going to allow myself to be black-mailed, if I may use that word, by the minorities. The Honourable Mr. Hossain Imam has told us that in our view "Indians" mean Hindus. I certainly think that in the India of the future there will be place for the Hindu, for the Mussalman, for the Christian, for the Parsi and for the Britisher also if he identifies himself with this country. But such is the communal phobia that he has developed that he has made a statement which I consider unfortunate. He has suggested that Hindu examiners are not fair to Mussalman candidates. I do not think that he has ever been an examiner in his life. But I happen to have experience as an examiner. I have been an examiner for many years. I happen to have acted as an examiner for in practically all the Northern India Universities and also for certain other bodies, and I can tell him from my experience that the examiners do not know whether the candidate is a Hindu or a Mussalman or a Christian or a Parsi or an Anglo-Indian. Names are not supplied to examiners by Universities. The Honourable Sir Ramunni Menon, who is a very distinguished Vice-Chancellor, will be able to verify me in that statement. The Aligarh University appoints Hindu examiners. The Benares Hindu University appoints Mussalman examiners. I am sorry that Mr. Hossain Imam should have made a statement reflecting upon a class of men who do their duty honestly and conscientiously—

THE HONOURABLE MR. HOSSAIN IMAM: Are there not black sheep?

THE HONOURABLE MR. P. N. SAPRU: There are black sheep, but the Honourable Mr. Hossain Imam made a very general statement reflecting upon the Public Service Commission—

THE HONOURABLE MR. HOSSAIN IMAM: No.

THE HONOURABLE MR. P. N. SAPRU—reflecting upon the Universities who appoint these examiners, and reflecting also upon his own University of Aligarh, which sometimes appoints Hindu examiners. I have been an

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examiner in that University myself. Mr. Hossain Imam told us that everything must be decided by the Saint of Sabarmati. I am not a follower of the Saint of Sabarmati. But we live in this country under two dictators, and everything so far as Mr. Hossain Imam is concerned must be decided by the Barrister of Bombay.

I shall pass on to my respected friend Sir Ramunni Menon. He made a speech in which he pointed out that the Resolution was limited in scope, but doubted if this was the proper time for discussing it. He says that the war will change everything and we should be in a better position to take decisions after the war. Well, I do not happen to agree with him there. I understand that point of view, but I do not agree with that point of view. I will explain why when I deal with the speech of the Honourable Mr. Conran-Smith. There is, however, one observation from which I must indicate my dissent. The Honourable Sir Ramunni Menon stated that the Secretary of State is the best judge as to whether he is getting the proper type of recruit or not. Well, I do not consider any man to be infallible. We have the assurance of the Honourable Mr. Conran-Smith that they are trying their very best to get the best men available. But there is, when all is said and done, a difference between competition and nomination. You want—I have not appeared at a Civil Service competitive examination, but the Honourable Mr. Conran-Smith will correct me if I am wrong—you want for that Service a good all-rounder. A man may be very good. He may take first class in Greats. He may take a first class in History. But that does not make him good all round. He may be a good specialist. The merit of the competitive system for the Civil Service is that it helps you to select men who are not specialists but who are good all-rounders. That sort of thing you can only get through a competitive examination. In my opening speech I raised no question of ratio so far as India is concerned. I do not see how Mussalman representation would have been affected if the Civil Service examination had been held in India. I did not say that I wanted the present policy of reserving a certain number of vacancies for the Muslim community revised. I did not make any such statement.

THE HONOURABLE MR. HOSSAIN IMAM: The Leader of the Opposition made that suggestion.

THE HONOURABLE MR. P. N. SAPRU: The Honourable Mr. Hossain Imam spoke before the Leader of the Progressive Party and I do not know he could divine what the Leader of the Progressive Party was going to say. Sir, I never made that statement. The Honourable Mr. Hossain Imam could have taken the line "I want the interests of my community to be protected. I do not want these communal ratios to be disturbed; but subject to these qualifications and conditions I am in favour of the Resolution." He did nothing of the kind. He simply wanted to abuse the Hindu politicians, and he has done it. All I can say is that two can play at that game.

THE HONOURABLE MR. HOSSAIN IMAM: We have been at this game, Sir.

THE HONOURABLE MR. P. N. SAPRU: Now, I will not deal with the speeches of the Honourable Pandit Kunzru and Lala Ram Saran Das. I do not think there is any fundamental difference between me and Pandit

Kunzru or Lala Ram Saran Das in regard to what we want. We all visualize a free India after the war; we all visualize a state of affairs in which it will be possible for us to do away with future recruitment in England. We want the recruiting and controlling authority to be in India. Self-government will have no meaning if the recruiting and controlling authority continues to be the Secretary of State. As I read Mr. Amery's statement, it really comes to this—protection will be provided for the existing members of the services. There will be a maximum transfer of power subject to certain obligations, and one obligation he has referred to is in regard to the present members of the services. Mr. Amery himself visualizes the step I have suggested. This may be news to our Rip van Winkle Knight from Moradabad. Mr. Amery himself—

THE HONOURABLE SIR MUHAMMAD YAKUB: I am a friend of your father's, and we are both Rip van Winkles.

THE HONOURABLE MR. P. N. SAPRU: I recognize no friendship in political life. You may be my friend in private life, but here we are opponents and I recognize no loyalties in political life excepting to my creed. So it may be news to him that Mr. Amery contemplates a more sweeping transfer of power than may be palatable to him—

THE HONOURABLE MR. HOSSAIN IMAM: With a proviso.

THE HONOURABLE MR. P. N. SAPRU: Yes, with a proviso and we hope we shall be able to get rid of that proviso also.

THE HONOURABLE MR. HOSSAIN IMAM: It is a big proviso.

THE HONOURABLE MR. P. N. SAPRU: I will come to the speech of my friend the Honourable Mr. Padshah. He has spoken moderately and I would only like to tell him that it is not only the outlook of the Hindus that should change. It is also the outlook of his community that should change. The outlook of everybody should change before we can have a real good India.

The Honourable Sir Muhammad Yakub has told us that the fate of the world is in the melting pot? Why move this Resolution then? Well, Sir, big questions are being decided today by the British Government. They find themselves able and strong enough to decide big questions. Franco-British Union was proposed at a time when France was collapsing. An Anglo-American Union is within the realms of possibility. There is a Minister in charge of post-war problems, the problem of reconstruction for instance, and he is doing hard thinking on these matters. Big decisions have been taken. It is not only I who say you must deal with some of these fundamental questions during the war. I was reading the other day an article by Viscount Samuel. He is not an irresponsible politician; he has been Leader of the Liberal Party in the House of Commons and he wrote an article in the *Contemporary Review* in which he said that Government must discuss the constitutional issue with India during the war. It must do something to convince India that Britain is sincere. I can name men of the first rank in British politics who have been taking the line that I have taken. It is no use saying or insinuating that by moving this Resolution we are somehow hampering the Government at this difficult time or trying to place them in a difficult position. That was the insinuation of Sir Muhammad Yakub and also of the Persian couplet he quoted. Well, Sir, Sir Muhammad Yakub's conceptions of

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loyalty are quite different from our conceptions of loyalty. We are loyal to an ideology, and we are not servilely loyal as he has probably been all his life.

Sir, from these gentlemen I turn to my respected friend the Honourable Mr. Conran-Smith. I would first of all like to assure him that I did not use the word "bureaucrat" in any bad sense. If he likes he can call me a demagogue or anything, I won't mind that. But the compliment I paid to his Service was a very sincere compliment and I would like to assure him that we want to be absolutely fair, if we have power, to the men who are in the Service. But the point of view which I stressed was that it is not fair to the men whom you are recruiting that you should go on recruiting them now. Conditions are likely to change after the war. You yourself are contemplating a sweeping transfer of power. Well, I am looking at it from the point of view of the Britisher. It is not fair to British young men that you should go on recruiting them, because they will come under certain expectations that you may not be able to fulfil. It is not fair also to this country that you should continue this recruitment because if you continue it new vested interests arise.

THE HONOURABLE MR. E. CONRAN-SMITH: May I say, Sir, that new recruits enter with their eyes open and that the future is as uncertain for them as it is for any of us in these days.

THE HONOURABLE MR. P. N. SAPRU: I am glad to have that assurance. But our difficulty has been this, that whenever there has been any advance—there was a declaration made in 1917 that self-government was the goal of British policy; yet in the Government of India Act of 1935 protection was given not only to the men who joined the Service after 1917 but also to men who joined the Service before 1917. That is what I mean by saying that you are mortgaging the future by continuing British recruitment. It may be that the body which will decide the Indian constitution may come to the conclusion that it is desirable in the interests of India to continue British recruitment for some time. But these are matters which will be decided by the body which will be set up after the war to frame the Indian constitution. We have been given some indication of what British obligations are. If I read Mr. Amery's statement correctly, it will be primarily a question for the body which will be set up after the war to decide what the future of the services should be. You have good material in this country? Why not use this good material in this country?

THE HONOURABLE MR. E. CONRAN-SMITH: May I ask the Honourable Member if he is sticking to the terms of his Resolution which recommends temporary stoppage during the war or is he, as I gather from what he is now saying, urging the permanent stoppage of European recruitment?

THE HONOURABLE MR. P. N. SAPRU: I am sticking to the terms of my Resolution, though I have indicated in the course of my speech what my view is as regards the future. I have been perfectly frank with the House. I thought I owed it to the House, to the Honourable Mr. Conran-Smith and to the Government to be perfectly frank. I have said what my own personal view is, but I am sticking to the terms of my Resolution which have been deliberately framed in such a form as to make it possible for Government to accept it. That is my position.

Now, Sir, you cannot say that if you stop recruitment in England and you recruit in India there will be a deterioration in quality. We are getting a very good class of men in the I.C.S. from the Indian examination. I was amused to hear from a gentleman who has spent all his life in the provincial service in Bihar and therefore has imbibed the atmosphere of the provincial service that Indians who are getting through the competition in India are inferior to Indians who get through the competition in England. I may tell him—and I venture to make that assertion with some confidence and with some knowledge—I may tell him that the Indian examination is as a matter of fact harder today than the British examination. I have known young men who have sat twice for the examination in India fail in this country and pass in England. It is easier for an Indian to pass the examination in England than it is for him to pass the examination in India.

THE HONOURABLE KHAN BAHADUR SHAMS-UD-DIN HAIDER: Was it not a matter of chance?

THE HONOURABLE MR. P. N. SAPRU: No, no. These are not matters of chance. This is a matter of common knowledge that many young men go to England because they think that if they appear in England they will have a better chance.

THE HONOURABLE KHAN BAHADUR SHAMS-UD-DIN HAIDER: You forget that it was the third time, Sir.

THE HONOURABLE MR. P. N. SAPRU: I think it is a libel to suggest that the Indian recruited in India under the competitive system is in any way inferior to the Indian, or for the matter of that to the European, recruited in England. I hope, Sir, that the Honourable Mr. Conran-Smith who is a very fair and impartial man will agree with me that his friends have placed him in an awkward situation. In order to show their loyalty to him they have cast reflections upon—

THE HONOURABLE KHAN BAHADUR SHAMS-UD-DIN HAIDER: I only quoted you when you talked of efficiency and you admitted that Britishers were more efficient than Indians who were recruited here.

THE HONOURABLE MR. P. N. SAPRU: I never made any such statement. I have a very high regard for the efficiency of the Britisher, but I have also some national pride and I also know that I am not inefficient. I am not suffering from any inferiority complex such as one develops after serving in a particular service for a number of years.

The Honourable Mr. Conran-Smith has pointed out what the present position of the Civil Service is. He has told us that the process of Indianization will continue. All that is perfectly true, but I will repeat my main argument again. He says I am prejudging the issue; I say he is prejudging the issue and therefore we will agree to differ on that point. I am glad to have his assurance that he will communicate this debate to the Secretary of State who is the proper authority to deal with this question; and in view of that assurance I shall not press this Resolution to a division.

The Resolution was, by leave of the Council, withdrawn.

[27TH FEB. 1941.]

THE HONOURABLE THE CHAIRMAN (the Honourable Sir David Devadoss):
The amendment falls to the ground.

The Honourable Mr. Hossain Imam was not present to move the
Motion against his name.)

The Council then adjourned till Half Past Five of the Clock on Friday,
the 28th February, 1941.

COUNCIL OF STATE

Friday, 28th February, 1941.

The Council met in the Council Chamber of the Council House at Half
Past Five of the Clock, the Honourable the President in the Chair.

PRESENTATION OF THE GENERAL BUDGET FOR 1941-42.

THE HONOURABLE MR. E. C. JONES (Finance Secretary): Sir, I have
the honour to present to the House the revised estimates of revenue and
expenditure of the Governor General in Council in respect of subjects other
than railways for the year 1940-41, and the corresponding estimates of revenue
and expenditure for the year 1941-42.

2. Twelve months have passed since I brought before the House the
estimates and proposals for the current year, which constituted India's first
war budget for the war which by then, as we now see in retrospect, had barely
got going. Within that year momentous developments have occurred. We
have seen nation after nation falling victim to ruthless and unprovoked aggres-
sion. It is not necessary for me however to enlarge on that subject, since
the course of events is known to all and little imagination is required to appre-
ciate their terrible implications to the people affected. Nor need I dwell
on the encouraging achievements of the Allied forces during the past three
months. But I cannot refrain from paying my small tribute of admiration
and gratitude to the Indian contingents in the Middle East armies for the
courage and bravery with which they have been "doing their bit" to hold
one of the vital routes to India and so to keep the conflict, which seems rapidly
to be developing into a world war, away from the soil of their Motherland.
Meanwhile the world situation remains extremely grave and our immediate
task here is to develop with the utmost possible speed our military strength
and preparedness to ensure that we can successfully resist attack from what-
ever quarter and in whatever strength it may come to us.

3. Considering the intensity and the far flung spread of the present world
conflict it is inevitable that the dominant factor governing the financial and
economic situation in this country should be the war and the conditions
arising out of the war. The effect of the impact of war conditions on our
economy has been adverse, and in many respects seriously adverse. Yet
the blackness of the picture is not altogether devoid of relief and it behoves
us to guard against the temptation to overdraw it. We are, indeed, in my
opinion, not without grounds for some measure of surprise and gratification
that conditions are not as bad as they might so easily have been after 18
months of war. We have lost large and important export markets for our
produce in Europe, but the loss has been at least partially made good within
the Empire and in certain neutral countries. The shortage of shipping is
frequently acute, yet the value of our exports is on a substantially higher
level than it was in the pre-war months. The catastrophic fall in prices which
was brought about by the military events of the early summer of 1940 was
succeeded by a partial recovery, with the result that the present prices of
many of our main commodities are appreciably higher than they were in

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August, 1939. Then, again, our rapidly accelerating war effort imposes an increasingly heavy burden of expenditure on our budget; but the vast and growing requirements of war supply are providing a powerful stimulus to the industrialisation of the country, increasing the volume of employment, expanding the national income and thereby assisting the country to provide the finance required by way of taxes, gifts or loans. The growing consumption capacity of the country in general is well illustrated by the growth of railway traffic receipts, especially the increased earnings from passenger traffic, to which the Honourable Railway Member made reference in his speech introducing the Railway Budget in the Legislative Assembly last week.

4. For a proper appreciation of the prospects for the current year some reference to the final results for the financial year 1939-40 is necessary, but I will deal with that very briefly. Honourable Members will recall that it was decided to take the surplus of 1939-40, which according to the revised estimates was expected to amount to Rs. 91 lakhs, to a Revenue Reserve Fund so as to be available for expenditure on revenue account in the current year. A lucky year-end spurt in trade activity, mainly due we believe to the laying in of stocks in the closing months of the year, so increased our revenue from Customs and Salt and the earnings of our railways that, combined with an improvement of over a crore in income-tax receipts and a few other minor improvements in revenue, the realised surplus amounted to no less than Rs. 7,77 lakhs. The Revenue Reserve Fund thus secured Rs. 6,86 lakhs more than we anticipated at this time last year.

5. The improvement in the income-tax receipts raised the amount of the divisible pool from Rs. 13,76 lakhs to Rs. 14,66 lakhs, thereby increasing the share payable to the Provinces for the year 1939-40 from Rs. 2,38 lakhs to Rs. 2,83 lakhs. As the arrears due on account of the year 1938-39 had been finally certified to be Rs. 39 lakhs and the amount actually distributed in March, 1940, was Rs. 2,79 lakhs, there remains a balance of Rs. 43 lakhs due to be paid to the provinces along with their share for the current year.

6. We are now in a position to review our revenue prospects for the current financial year, 1940-41. Honourable Members are aware that our customs revenue is being sadly depleted as a result of war disturbances to trade. There is first the direct loss of trade with enemy countries and countries under enemy occupation. Then there is the painful necessity of restricting imports from certain "difficult currency" countries as they are called in order to conserve foreign exchange for purposes vital to the prosecution of the war. Last but by no means least there is the shortage of shipping for normal trade purposes resulting from the heavy war demands on available tonnage. In view of these adverse factors the budget estimate of Customs receipts had been fixed as low as Rs. 39,16 lakhs, as against actual receipts for 1939-40 of Rs. 45,88 lakhs. But the fall has proved to be even sharper than we anticipated and we now put our revised estimate for the year at Rs. 37,75 lakhs, which is Rs. 1,41 lakhs below the budget figure. Central Excise revenue also shows a substantial fall, mainly due to sugar the collections from which are now expected to amount to only Rs. 3,15 lakhs against the budget estimate of Rs. 5,25 lakhs, a drop of Rs. 2,10 lakhs on that one commodity alone. The estimate for Salt revenue was fixed on the basis of normal annual consumption, but the abnormally heavy clearances in the latter part of last year have been followed by reduced issues in the current year which will bring our revenue receipts half a crore below the budget estimate. These reductions are, however, more than offset by a number of

substantial gains. There is first the additional Rs. 6,86 lakhs available in the Revenue Reserve Fund to which I have already referred. Then the magnificent railway contribution to general revenues in the current year, which as the Railway Budget disclosed amounts to Rs. 9,96 lakhs inclusive of a refund of arrear contributions to the extent of Rs. 2,81 lakhs, gives us Rs. 4,65 lakhs more than was provided in the budget. Excess Profits tax payable for the current year is still estimated at Rs. 3 crores, but on account of unavoidable delay in assessment work only Rs. 2 crores are likely to be collected within the year, leaving a carry over of Rs. 1 crore for next year. We anticipate a corresponding fall of Rs. 83 lakhs below budget under Corporation Tax, but other Taxes on Income, including the Central surcharge imposed by the Supplementary Finance Act of last November, are expected to show a rise of Rs. 3,30 lakhs, of which Rs. 73 lakhs goes to increase the share payable to the Provinces from the budgeted sum of Rs. 3,00 lakhs to Rs. 3,73 lakhs, leaving a net improvement to the Central Budget of Rs. 2,57 lakhs. Other increases are Rs. 92 lakhs from Currency and Mint, mainly due to the exceptionally heavy absorption of small coin into circulation, and Rs. 65 lakhs in the surplus of the Posts and Telegraphs Department to which the increases in postal rates and the surcharges on telegram and trunk telephone charges imposed last November have largely contributed. The net result of these variations and others of less significance is that our revised estimates for revenue for 1940-41 show an improvement as compared with the budget estimates of Rs. 11,07 lakhs. The actual figures are, Budget Rs. 92,64 lakhs; Revised, Rs. 103,71 lakhs.

7. We have now to consider the expenditure position in the current year, the dominating feature of which is inevitably defence expenditure, and it is with this aspect that I will first deal. Honourable Members will remember that by last November an expansion programme was well under way, a comprehensive description of which was given at the time, calculated as I explained in my speech moving consideration of the Supplementary Finance Bill to increase by no less than Rs. 14½ crores this year's original budget provision for the Defence Services of Rs. 53½ crores. The three succeeding months, short as the period may appear, have been productive of such rapid progress and so intensive a development of India's war effort that the non-recurring and recurring cost of the defence measures to which we now stand committed over and above what were envisaged when the budget for the year was prepared have increased from Rs. 33 crores and Rs. 16 crores per annum respectively, as announced last November, to Rs. 52 crores and Rs. 19 crores per annum; while the amount of additional expenditure falling in this year's budget has risen from Rs. 14½ crores to Rs. 17½ crores. The House will I am sure welcome some indication of the progress that has been made, and I will give such particulars as are possible within the necessarily confined limits of this speech.

8. The total strength of our armed forces is now well over half a million men of all arms and further expansion is proceeding. Provision has been made for the raising of new armoured and mechanised cavalry regiments, new Indian field artillery regiments, regular infantry battalions, engineer units, more M. T. Sections and all the highly trained and specialised ancillary troops required for modern warfare. The Fighting Vehicles School has continued to expand; a new Cadet Wing has been opened at the Artillery School, and an anti-aircraft training centre has been established which is designed to train several hundred students a month. The R. I. A. S. C. Officers' Technical School has been further expanded and its output is now seven times what it was at the outbreak of war. Mechanical transport training

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establishments have still further increased and, apart from mechanised cavalry, artillery and infantry, who train their own men, the output of trained drivers has grown to 40 times what it was in August, 1939. Two new Signal Training Centres have been opened and the training establishments of Sapper and Miner Units have more than doubled since November last.

9. The House will be glad to know that in the expansion which is now in progress special attention is being devoted to the provision of adequate training establishments and the maintenance of that high standard of training which has rightly become associated with the Indian Army. Thorough and efficient training produces rich rewards as the recent victories in Africa have proved in a peculiarly spectacular manner. Inefficient or scamped training might well be productive of large-scale military disasters and huge loss of life. This important consideration inevitably sets a limit to the pace of our expansion.

10. Many of the new units we have raised are now completing their training and a number have already taken up active rôles. When the expansion of the army in India began, owing to difficulties in obtaining equipment, the number of armoured units and artillery regiments included was less than could have been desired. Improvements in the supply situation, however, both in India and the United Kingdom, have now made it possible to remedy this deficiency and our plans include the transformation into armoured and light-armoured regiments of the whole of the existing cavalry, and the raising of additional regiments of this kind. With regard to artillery, increasing assistance from His Majesty's Government, both in personnel and equipment, has made it possible to ensure that we do not fall short in this component.

11. With regard to equipment generally, His Majesty's Government have recently agreed to a standing arrangement under which India will receive a substantial fixed proportion of the output of the United Kingdom. As a result of this arrangement, steady supplies of all kinds of equipment unobtainable in India, such as guns, machine tools, optical instruments, wireless and other signalling equipment and anti-gas equipment are now forthcoming and will enable India to push forward with the modernisation of her normal defence garrison, and with the equipment of the forces now being raised, on a scale adapted to the requirements of modern war.

12. The growth of the Royal Indian Navy has continued unchecked: the programme of shipbuilding in India has been further expanded and the recruiting and training of officers and men to man the new construction is proceeding apace. All instructional establishments have been greatly increased in capacity; a new Signal School is being built and start has been made with a large new Gunnery School. Other new Naval establishments are in process of development. Some idea of the increase in work being carried out in the Government Dockyard may be gathered from the figures of workmen of all classes and trades employed there. Before the war the figure was 1,168; it has now risen to nearly 5,000. In addition to meeting our own requirements, a great deal of work has been carried out on behalf of His Majesty's Government in connection with the arming and protection of both British and Indian merchant shipping, and also in the provision of repair facilities to ships of the Royal Navy.

13. As regards the Air Force, the difficulties arising from deficiencies of equipment and experienced technical personnel, which for a time held up the

expansion of this Arm, have recently been considerably lessened. A number of modern aircraft and connected equipment are in sight from American sources and further supplies are expected which will go a considerable way towards completing and modernising the equipment of the squadrons now in India, as well as setting free machines for the training of new squadrons. The arrangements for training personnel have also been considerably improved. Close liaison between the civil and air force training schemes has been established, and a proposed amalgamation and re-organisation of all available facilities will provide Air Force elementary flying training schools, formed around existing flying clubs, and an expanded service flying training school. All these institutions will be operating to full capacity in the near future. A start has been made with the formation of a reserve and the training both of officers and airmen is being pushed forward as rapidly as the capacity of the schools permit and as fast as instructional and maintenance personnel and equipment become available. The scheme for establishing aeroplane manufacture in India has reached a new stage and there is now little doubt that the year 1941 will witness the appearance of the first aeroplanes to be produced in India. This achievement, memorable in itself, should prove of great value in speeding up the expansion of India's air force, a development of supreme importance.

14. The position in regard to the vital matter of supplies has, I am glad to say, substantially improved since last November. The Government Ordnance and Clothing factories have been working at the highest pressure for some time past and an indication of what this means can be gathered from the fact that whereas before the war the average number of workmen employed in these factories was under 17,000, the number has now risen to over 45,000 and the curve of production is still rising. Steps have recently been taken to supplement the output of these factories by taking over railway and private workshops and utilising their resources for the production of munitions of war. The Roger Mission, which has been investigating the possibilities of expanding India's output of war supplies has now submitted its reports to His Majesty's Government who are giving them their urgent consideration. We may hope that the result will be that India will before long be able substantially to increase her output of munitions.

15. Certain other important developments are expected to lead to a further considerable improvement in the supply field. His Majesty's Government have agreed to a forward programme of supply covering estimated requirements for a period of two years ahead, which has enabled the Department of Supply to enter into forward commitments within the limits of the programme and so even out the flow of production and utilise productive capacity to maximum advantage. His Majesty's Government have also authorised us to purchase vehicles, machine tools and other essential war requirements in the United States and Canada, to the extent necessary to meet our needs for a considerable period ahead. An officer has been placed on special duty in America with the object of discovering and effecting purchases of such supplies as are available to India from this source. Then again, the deliberations of the Eastern Group Conference will shortly bear fruit in the shape of the institution of an Eastern Group Supply Council to be located in India which will in due course co-ordinate the requirements of various Empire countries and forces operating east of Suez and will ensure that the resources of the participating countries are utilised to the fullest advantage for the successful prosecution of the war.

16. These widespread developments in the supply field must necessarily give a great stimulus to Indian industries. One of the most important results

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has been the investigation of the possibilities of establishing new industries in India for the production of stores that have hitherto been imported. The list of stores required both in India and to meet overseas demands is constantly under review and items formerly placed in the category of imported stores are continually being transferred to the indigenous category as a result of the discovery either of methods of producing them in India or of suitable domestic substitutes.

17. It is this remarkable acceleration of defence activities in so many directions that has led to the increased burden of expenditure falling on our revenues of which I gave the figures a few minutes ago. The bill is heavy, but the need for security is paramount and the pace of progress must be conditioned by limitations of supply, training and such like rather than of cost. The maximum rate of efficient expansion of which we are capable is the minimum which responsible opinion in the country demands. I should here perhaps remind the House that the allocation of war expenditure between India and His Majesty's Government is still governed by the settlement arrived at between the two Governments which was fully explained in my budget speech of a year ago. In accordance with the principles underlying this settlement any forces now being raised that India may agree to send for service overseas cease to be an Indian liability on leaving India and the whole initial cost of raising, training, and equipping such forces as well as the subsequent recurring charges are borne by His Majesty's Government. The details of the revised estimate of defence expenditure for 1940-41 which amounts to Rs. 72.02 lakhs work out as follows :—

	(Rs. in lakhs.)	
	Budget.	Revised.
	Rs.	Rs.
(1) Basic normal budget	36.77	36.77
(2) Effect of rise in prices on (1)	2.00	2.53
(3) India's war measures	6.59	24.31
(4) Non-effective charges	8.16	8.41
TOTAL	53.52	72.02

The increase of Rs. 53 lakhs in item (2) is mainly due to the increases of emoluments granted during 1940-41 to British and Indian troops as a war concession. In so far as these increases would have raised the cost of India's normal garrison the extra cost is included under this head. The increase of Rs. 17½ crores in item (3) has already been explained. Out of the total provision of Rs. 24.31 crores for India's war measures approximately Rs. 15.00 crores represents the initial cost of such measures; the balance consists of recurring expenditure. The revised estimate for non-effective charges—item (4)—has for the present been fixed at the normal budget level of 1939-40 but discussions are in progress with His Majesty's Government with a view to reaching a settlement that will regulate the allocation of these charges as has already been done for effective charges. The effect of the war on these charges obviously cannot be foreseen, though happily there has so far been no appreciable increase owing to the absence of heavy casualties. I should here point out that the excess of the sum of Rs. 24.31 crores shown against item (3) over our normal defence expenditure by no means reflects the full magnitude of India's war effort since it excludes the cost of supplies and services rendered by India to His Majesty's Government, which is substantially greater than this amount.

I should also mention here that His Majesty's Government, besides paying in full for all such supplies and services, are supplying free of charge much of the equipment needed for the modernisation of the Army in India and for the initial equipment of units now being raised in pursuance of our expansion scheme.

18. Our revised estimate of civil expenditure for the current year stands at Rs. 40.11 lakhs, an increase of Rs. 1.04 lakhs over the budget estimate of Rs. 39.07 lakhs. As I explained last November, an increase of nearly Rs. 2½ crores was expected on account of schemes which, though attributable to and directly connected with our defence measures, are actually chargeable to civil estimates; such as, for example, the schemes for the training of the Air Force Reserve and of war technicians. That expectation still stands, but the increase is offset, first by a real saving of Rs. 71 lakhs in interest charges on account of the low level of interest rates, especially of short-term debt; and secondly by a technical saving of Rs. 67 lakhs, the amount received from Burma as her share of pensionary charges which, through a change in accounting procedure, is now to be taken in reduction of expenditure instead of as a revenue receipt.

19. The revised estimates for the current year 1940-41 may therefore be summarised in the following form :—

	Budget.	Revised.	(In lakhs of Rs.)
			Improve- ment (+) Worsen- ing (—).
Net defence expenditure	53.52	72.02	—18.50
Civil expenditure	39.07	40.11	—1.04
Total expenditure	92.59	112.13	—19.54
Total revenue	92.64	103.71	+11.07
Surplus (+) Deficit (—)	+5	—8.42	..

The Budget was framed to give a nominal surplus of Rs. 5 lakhs. In November we were faced with a probable deficit of the order of Rs. 13 crores before taking into account the revenue from the new taxation then imposed, which was expected to yield Rs. 2 crores within the year. We now estimate that the deficit will be Rs. 8.42 lakhs. The improvement on our November anticipations is more than accounted for by the further payment of Rs. 2.81 lakhs made by the Railways to general revenues by way of refund of arrears of contribution.

20. We can now turn to a consideration of the estimates of revenue for the coming financial year, 1941-42. The major variations as compared with the revised estimates of revenue of the current year can be quickly enumerated. The Revenue Reserve Fund which provided Rs. 7.77 lakhs this year will give us nothing next year. We have also allowed for a further fall of Rs. 3 crores in the yield from Customs duties on the assumption that the war-time factors already described which are hindering trade and reducing our Customs receipts will continue to operate throughout the coming year. Against these reductions, we are taking credit for an increase of Rs. 1.75 lakhs in the Central Excise revenue, mainly on account of sugar, and we will also get the benefit of a full year's receipts from the Central surcharge on income-tax as compared with only 4 months' receipts in the current year, as well as the benefit of the first full year's receipts from the Excess Profits Tax. The yield from the Central

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surcharge is estimated at Rs. 5,68 lakhs, and that from Excess Profits Tax at Rs. 7½ crores for 1941-42 plus the Re. 1 crore carry-over from 1940-41. We have raised our next year's estimate of the total yield from ordinary Corporation Tax and Income Tax by half a crore to reflect the improvement which will result from the assessment of incomes derived from a full year of war profits. Incidentally, the share payable to the Provinces next year out of the divisible Income-Tax pool is expected to establish a new record at Rs. 4,46 lakhs, an advance of Rs. 73 lakhs on the current year's figure.

21. We are counting upon the continued prosperity of our great commercial Departments to give us contributions next year even higher than they are giving this year; in the case of the Railways by Rs. 22 lakhs for the reasons which were made apparent in the Railway Budget, and in the case of the Posts and Telegraphs Department by Rs. 38 lakhs because the recently increased rates will operate for the whole year. Salt should give us Rs. 60 lakhs extra on the assumption of normal clearances.

22. The net result of all these variations and of others which need not be specifically mentioned is an increase in the total revenue for the year 1941-42 of Rs. 2,68 lakhs, thus bringing it to the figure of Rs. 106,39 lakhs.

23. Next year's expenditure on the other hand is expected to show an advance on the revised estimates for the current year of Rs. 14,72 lakhs, of which Rs. 12,11 lakhs is on account of defence and Rs. 2,61 lakhs pertains to civil expenditure.

24. Expenditure on the Defence services for 1941-42 amounts to Rs. 84,13 lakhs made up as follows :—

	(Rs. in lakhs.)	
	Revised, 1940-41.	Budget, 1941-42.
(1) Basic normal budget	36,77	36,77
(2) Effect of rise in prices on (1)	2,53	3,55
(3) India's war measures	24,31	35,40
(4) Non-effective charges	8,41	8,41
TOTAL	72,02	84,13

The increase over the revised indicated at item (2) is due to the fact that the increases in emoluments granted as a war concession to British and Indian troops took effect from various dates in 1940-41 whereas they will be in force throughout 1941-42.

25. The growth of expenditure on India's war measures has already been explained at length. The effect of this growth on the Defence budget for 1941-42 is shown at item (3), the increase over the revised being Rs. 11,09 lakhs. Approximately half the total amount of Rs. 35,40 lakhs provided for India's war measures is on account of initial cost of these measures, the balance consisting of recurring charges. I should like here to impress upon the House the fact that in these estimates of Defence expenditure only such specific schemes and measures as are definitely under way or in sight have been provided for. Our Defence plans have to be adapted from time to time to meet the ever changing war situation, which means that additional projects are constantly being undertaken, and it is clearly impossible to make any forecast of the cost

of such unforeseeable items. The provision for non-effective charges has been retained at the normal figure for 1939-40 for the reasons already given. Here too, as I have remarked in connection with the revised estimates, the figures exclude the value of supplies and services rendered by India to His Majesty's Government. The charges borne by that Government on this account during 1941-42 are expected to be more than double the amount of India's war expenditure.

26. The rise of Rs. 2,61 lakhs in the Civil expenditure estimates is due to three main causes. First there is the natural increase resulting from provision being made for a full year's working of various schemes connected with the war which were only started rather late in the current year. Thus, for instance, the total cost of the scheme of technical training to meet the demand for skilled labour in the ordnance and munitions factories is estimated at Re. 1 crore, of which only Rs. 7 lakhs will be spent this year and the balance of Rs. 93 lakhs next year. Then there is a number of new items of essential expenditure which the Standing Finance Committee has recommended for inclusion in the Budget. These include India's share of the subsidy to this year's Haj pilgrimage to meet the extra cost due to war conditions; new civil aviation works, new Broadcasting works, including a high power transmitter for external broadcasts; and a third Mint to cope with the enormous increase in coinage demand, which will eventually replace the existing Calcutta Mint the disposal proceeds of which will go a long way towards paying for it. Then finally there is the cost of the continued expansion of the Department of Supply, which must necessarily grow along with the ever-growing demands which it has to meet.

27. The budget estimates for 1941-42 can now be summarised as follows :—

	(In lakhs of Rs.)		
	Revised, 1940-41.	Budget, 1941-42.	Improve- ment (+) Worsen- ing (—).
Net defence expenditure	72,02	84,13	—12,11
Civil expenditure	40,11	42,72	—2,61
Total expenditure	112,13	126,85	—14,72
Total revenue	103,71	106,39	+ 2,68
Surplus (+) Deficit (—)	—8,42	—20,46	..

There is thus a prospective deficit on revenue account of Rs. 20,46 lakhs, but I must here interrupt the story of our finances for next year to deal with the important question of our ways and means position.

28. The main loan issue during the year was the six-year 3 per cent. Defence Bonds, which by the 25th January, when the original issue was closed, had realised nearly Rs. 45 crores, in cash to the extent of Rs. 31½ crores and by conversion of the 5 per cent. Loan 1940-43 to the extent of Rs. 13½ crores. A second 3 per cent. Loan was issued as from the 1st February on terms rather more favourable to the general taxpayer, thus affording striking testimony to the strength of India's financial credit in these difficult times. Interest-free Bonds were also made available on tap, subscriptions to which have so far amounted to Rs. 2,31 lakhs. We are grateful to those who are in this way assisting our war effort at no cost to the revenues of India. Ten-year Defence Savings Certificates are available for the smaller man, on terms designed to carry a dual appeal, to patriotism and self-interest. In the space of 8 months the total receipts from all these Defence Loans have amounted to over Rs. 50

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crores, but much more will be required in the coming year and I would like to take this opportunity to appeal to every well-wisher of India not only to support our loans to the utmost extent of his capacity for saving but also to do all he can by way of personal influence and educative propaganda to induce others to subscribe. The benefit to the country, not only now but in the lean years which might quite possibly follow the war, as well as the value to the individuals concerned, which would result if millions of the poorer classes could be persuaded to save and lend to the Government only a few rupees each, needs no stressing. Facilities of different types have been provided to meet the varying needs of different classes. For Government servants a Defence Savings Provident Fund has been instituted which offers a ready means of making regular contributions in support of the war effort. We shall shortly have in operation a new scheme of Post Office Savings Bank Deposit accounts repayable a year after the end of the war on attractive terms as to interest, viz., 1 per cent. more than is now given on ordinary Postal Savings Bank deposits. There are also savings stamps to facilitate the purchase of Defence Savings Certificates through the accumulation of a number of small savings. The facilities are available. What we now need is the goodwill and ready help of public spirited persons to secure a widespread response.

29. The outstanding balance of the 5 per cent. Loan 1940-43 amounting to about Rs. 19½ crores was completely repaid during the current year, thereby effecting an appreciable saving in our interest charges. Next year we have to provide for the repayment of the 3 per cent. Bonds 1941 which fall due on the 15th September next, the outstanding balance of which is about Rs. 10½ crores.

30. I would now like to say something on the subject of sterling debt repatriation which has recently been brought prominently before the notice of the public by the announcement of our compulsory £90 million scheme. While the announcement has been generally, and rightly, welcomed, published comment on the scheme has disclosed a certain amount of misapprehension, a certain degree of confusion of thought, and in a few quarters a strange and totally unjustified suspicion. Repatriation of the Government's sterling debt means in essence nothing more than the buying up and cancellation of our sterling loans and their replacement by rupee loans. Nothing more, yet nothing less, for it is surely a great thing that in the midst of a devastating war which is dislocating national economies throughout the world, India should be able to secure the strengthening of her financial credit which must inevitably result from a large scale conversion of her external obligations into internal indebtedness.

31. The policy of debt repatriation is not new. It was started in 1937, but the pace was limited both by the extent of our sterling assets and by the extent to which investors could be induced to part with their holdings at fair prices. I explained in my Budget Speech last year how the growth of sterling resources resulting from our increasingly favourable balance of trade, and from the payments received in the United Kingdom on account of recoverable war expenditure, and for supplies made to His Majesty's Government enabled the process of repatriation to be expedited and extended. The only method then open to us was that of open market purchases in London, and the total amount so acquired has gradually risen to the figure of £28½ million at which it now stands. The only new features in the present scheme are, firstly the element of compulsion, and secondly and consequentially the size of the transaction. Experience has shown that most of our sterling stock was firmly held, and once the stage

was reached when most of the floating stock had been removed from the market compulsion became inevitable if repatriation were to proceed. In the circumstances, we have reason to be grateful to the British Government for their assistance in requisitioning stock held by residents in the United Kingdom for delivery to us at market prices by means of an order issued under their special war powers. Some critics have tried to create a grievance from the fact that the operation, by releasing funds for investment in the United Kingdom Loans, will be of assistance to His Majesty's Government in their financing of the war. They apparently argue that an advantage to the United Kingdom must necessarily imply an equal and opposite disadvantage to India, refusing to recognise the possibility of an arrangement being mutually advantageous to both. Such a line of reasoning, if reasoning it can be called, we emphatically repudiate. But possibly the most effective answer to biased criticism of that kind is to point out that the British Government's power of requisitioning securities is itself statutorily dependent upon some degree of strengthening of their financial position as a result of the requisitioning. I submit, Sir, that we may well feel gratified that India in improving her own position has also contributed to facilitating the war-time problems of Britain.

32. Honourable Members are aware that the present repatriation operation covers all six of our terminable or dated sterling loans, the value at present market prices of the outstandings of which is approximately £90 million or Rs. 120 crores. A considerable portion of this, probably the major portion although we do not know to what extent, will be held by residents in the United Kingdom and will thus come within the terms of the British Government's order. These holders will be paid in sterling, for which the Reserve Bank possesses ample sterling resources which it has agreed to utilise for the purpose. On the other hand an unknown portion of these stocks is held by residents in India and will come under the corresponding requisitioning order recently issued by the Government of India. These holders will be paid at their option either in rupees or in rupee counterparts of the sterling loans purchased from them. We of course do not know how far Indian holders will elect to receive payment in the form of counterparts although we anticipate that the majority will do so. Lastly, some stocks may be held by residents outside the United Kingdom and India to whom no compulsion can be applied. To such holders the Reserve Bank is making a voluntary offer to buy the securities from them at the fixed prices, which offer they will probably accept since after the repatriation has been effected any small balances outstanding in these loans will not be readily marketable. Until we get fuller information on these various points it will not be possible for us finally to determine the exact machinery for financing the operations. The financing involves Government buying sterling from the Reserve Bank and arranging for the necessary rupee funds to pay for that sterling. We know that we would be in a position to finance the entire operation even though the whole amount of £90 million had to be paid in sterling. It is certain however that sterling payments will be appreciably below that figure, although until the returns come in we shall not know, even within a margin of tens of crores, what the actual commitments will be. As regards the manner in which Government will place itself in rupee funds, we will be guided by two main considerations, viz, (1) the unsoundness of paying off to an unduly large extent debts maturing some time ahead by very short term commitments such as treasury bills and (2) the undesirability of attempting immediately to secure from the investing public an equivalent amount in rupee loans of corresponding maturities and thereby depressing security prices and undermining the policy which we are following, with the co-operation of the Reserve Bank, of maintaining money at a cheap level so

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as to minimize the burden of the war. In all probability the Reserve Bank will take a fair proportion of rupee securities in its Issue Department to replace sterling assets taken from the Issue Department for the purchase of our sterling stocks. To enable this to be done the proviso to section 33(3) of the Reserve Bank of India Act has recently been repealed. The Reserve Bank may also carry a certain portion of these loans in its Banking Department, and Government may themselves carry some to the extent that their ways and means position permits. The detailed procedure will however be worked out as soon as the facts of the situation become available, in consultation with the Reserve Bank which has co-operated so readily and so promptly with the Government in financing this large and important transaction.

33. I should perhaps mention here that there is neither any necessity nor any intention to reduce the minimum percentage of the external assets which must be held by the Reserve Bank under the Reserve Bank of India Act, viz., 40 per cent. of their note liabilities; nor is there any necessity, as has been suggested in some quarters, to effect a statutory revision of the price at which their gold is valued. Nor need there be the slightest apprehension about the reduction which is being made in the size of the sterling holdings of the Reserve Bank. These holdings have risen greatly since the outbreak of the war and are still steadily increasing. Even if the whole £90 million had to be paid in sterling, the sterling reserves of the Reserve Bank would still stand at about the same figures as the average sterling holdings during the last pre-war year while our external liabilities will be considerably reduced as a result of the debt repatriation. It will be obvious too that these operations do not in any way affect the size of our gold reserves nor do they involve any change either in monetary policy or in the day-to-day operations of the currency system.

34. The House will doubtless appreciate that this debt repatriation scheme, which is the largest single operation of its kind ever carried out in this country, is bound to improve the financial position of India and greatly to strengthen India's credit. By the liquidation of external obligations to the extent of Rs. 120 crores and their replacement by internal obligations India's annual external commitment is materially reduced; the embarrassment of periodical external maturities is eliminated; while incidentally our revenue position will secure the benefit of some reduction in interest payments, although at present it is not possible to estimate with any approach to accuracy what the extent of that benefit will be. The total reduction in our sterling obligations since 1935 inclusive of the present scheme will amount to over Rs. 220 crores, of which about Rs. 145 crores will have been repatriated since the beginning of the war, and our external liabilities will henceforth be of remarkably modest proportions in relation to the growing resources of India. This will be an immense advantage should occasion ever arise for India to have recourse to foreign markets for the capital it required.

35. The uncertainty and alarm created by the German military successes in Europe last summer led to withdrawals of Post Office Savings Bank deposits and discharges of Post Office Cash Certificates on a scale so large that our revised estimates for the current year provide for a net outgo of Rs. 29 crores (Cash Certificates Rs. 10 crores and Savings Bank deposits Rs. 19 crores) as against a small net credit anticipated in the budget. This unexpected and heavy reduction of our unfunded debt would have necessitated a correspondingly heavy increase in our floating debt but for the countervailing factors of

(a) a capital receipt of Rs. 12 crores from the Reserve Bank on account of the one rupee notes and silver rupees issued to them, instead of a payment of Rs. 5 crores against a return of surplus rupee coin as provided in the budget, and (b) the favourable response which has been given to our Defence Loans. In actual fact these factors would have resulted in a reduction of the value of outstanding treasury bills by about Rs. 8 crores in the current year but for the new problem which has just arisen of financing our large sterling debt repatriation operations, the effect of which on our floating debt position cannot be assessed until we have finally determined the most appropriate method of financing this transaction. For next year we are assuming a more normal state of affairs and our estimates under these heads call for no comment.

36. I must now return to the question of the gap with which we are faced between our anticipated revenue for next financial year and our estimated expenditure on revenue account. The prospective deficit stands at the substantial figure of Rs. 20,46 lakhs, the very size of which must give us cause to reflect on how serious our difficulties would have been had not the railway contribution come to our assistance to the extent to which it has. I feel, too, that I should at this point again remind Honourable Members that our estimates of Defence expenditure cover only such schemes as can now be definitely foreseen, and make no provision, lump sum or otherwise, for any further measures which changing circumstances may force upon us; while our revenue from Customs is similarly vulnerable to any advance developments in the import situation. These considerations emphasize what the formidable size of the deficit in relation to the scale of Indian finances is of itself sufficient to indicate viz., the necessity of reducing the gap at least to more reasonable proportions. I will now proceed to explain the proposals of the Government in this regard.

37. The first proposal takes account of the fact that at the present time the main economic advantage which is derived from India's war supply activities accrues to the industrial and commercial sections of the community, in consideration of which the direct taxpayer may fairly be expected to shoulder the larger share of the further burdens which have to be imposed. It is therefore proposed in the first place that profits of a further period of one year be subjected to the Excess Profits Tax, and that the rate applicable to such profits be 66½ per cent. In view of the concessions which were granted in regard to such matters as optional standard periods and depreciation it is confidently believed that the new level of the tax should neither cause substantial hardship to existing industries nor operate to impede the growth of new ones. The yield of this enhancement in the rate of Excess Profits Tax is estimated at Rs. 2½ crores. Secondly, as regards Income-Tax and Super-Tax, it is proposed that the present Central surcharge of 25 per cent. should for the year 1941-42 be raised to 33½ per cent. This will yield an additional Rs. 1,90 lakhs, giving a total increase from direct taxation of Rs. 4,40 lakhs.

38. So far as indirect taxation is concerned, the main proposal is to double the excise duty on matches. The present rate of duty was fixed in relation to a certain retail price, but changes in the retail price cannot for obvious practical reasons be finely graded but must necessarily be made by sudden jumps. Over large parts of the country the retail price has already jumped to the next higher point to the substantial advantage of the trade. The increase in duty now proposed will appropriate for the benefit of the public purse a due share of the enhanced retail price which the consumer has to pay. A corresponding increase will automatically ensue in the duty on imported

[Mr. E. C. Jones.]

matches, and a similar increase will be made in the duty on mechanical lighters. The additional revenue on this account is estimated at Rs. 1,50 lakhs.

39. There remains for me to mention two further proposals in the field of indirect taxation. The first is an increase in the import duty now leviable on artificial silk yarn and thread, which now stands at 25 per cent. *ad valorem* or 3 annas per pound, whichever is higher. It is proposed to increase the alternative specific duty to 5 annas per pound, and the yield of this increased tax is estimated at Rs. 36 lakhs. The second is a new excise duty of 10 per cent. *ad valorem* on pneumatic tyres and tubes. This industry which was started in India a few years ago has developed rapidly and is now well established. It already supplies a large proportion of the domestic demand in India which formerly was met by imports subject to a revenue duty of 25 per cent. *ad valorem*. The yield of this new duty is estimated at Rs. 35 lakhs, thus bringing the increased revenue in the field of indirect taxation to the total of Rs. 2,21 lakhs.

40. The total estimated yield of the new taxation now proposed thus comes to Rs. 6,61 lakhs, which brings the estimated revenue for 1941-42 to Rs. 113 crores. The position will thus be—

	Rs.
	Lakhs.
Revenue	113,00
Expenditure	126,85
Prospective deficit	13,85

The uncovered revenue deficit will of course have to be met by borrowing, which will be part of the larger programme the necessity for which I have endeavoured to explain earlier in this Speech. The uncovered deficit is still large in proportion to the general level of Central finances and in regard to the unknown contingencies of the coming year. But having regard to the heavy additional cost of our war measures, which is almost entirely responsible for the rise in our annual expenditure from Rs. 86 crores in 1939-40 to Rs. 126 crores in 1941-42, an increase of no less than Rs. 40 crores within the limited space of 2 years, the position might not unreasonably be regarded as defensible. We are passing through troublesome and anxious times and it is idle to speculate on what the future holds for us. Let us take courage from the manner in which India has so far weathered the difficulties of the past, standing as she now does with her defence position steadily increasing in strength and her financial credit unimpaired, and face with confidence whatever part may fall to her in the months that lie ahead.

The Council then adjourned till Eleven of the Clock on Wednesday, the 5th March, 1941.

COUNCIL OF STATE

Wednesday, 5th March, 1941.

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

MEMBER SWORN:

The Honourable Mr. Evan Meredith Jenkins (Nominated Official).

QUESTIONS AND ANSWERS.

COAL MINES STOWING BOARD.

39. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja Yuveraj Dutta Singh): Will Government state—

(a) Who has been appointed the Inspecting Officer for the Coal Mines Stowing Board in Calcutta?

(b) The names of the members of the Stowing Board?

THE HONOURABLE MR. H. C. PRIOR: (a) No appointment has so far been made.

(b) A statement is laid on the table.

Names of members of the Coal Mines Stowing Board.

Mr. N. Mahadeva Ayyar, C.I.E., I.C.S. (Chairman).

Mr. W. Kirby.

Mr. J. B. Ross.

Mr. C. A. Innes.

Mr. A. I. Ojha.

Mr. M. N. Mookherjee.

QUININE PRICES.

40. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja Yuveraj Dutta Singh): Is the present price of quinine almost double its pre-war price? Do Government propose to take necessary steps to reduce the price to a reasonable figure?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: The wholesale price of quinine has gone up by about 80 per cent. The Honourable Member's attention is invited to the Press Note, dated the 24th June, 1940, in which it was stated that steps had been taken by Government to ensure an adequate

supply of quinine sulphate in India for all Government purposes during the next four years. Provision has thus been made to supply quinine at reasonable rates to all hospitals under Provincial Governments and States, including local fund and municipal dispensaries, to which the poor people generally have recourse. The question of controlling the price of quinine sold in the local markets is for the Provincial Governments.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : At what rate is it supplied to Provincial Governments ?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : I am speaking from memory, but I think it will be somewhere about Rs. 25 a lb.

THE HONOURABLE MR. HOSSAIN IMAM : What was the pre-war price ?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : The pre-war price—again I am speaking from memory—was about Rs. 22 a lb.

GENERAL REDUCTION IN CLASSIFIED RATES FOR DRUGS AND MEDICINES.

41. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja Yuveraj Dutta Singh) : Will Government state whether they have received any representation to make a general reduction in the classified rates for drugs and medicines ? If so, do Government propose to take steps to reduce the rates, or to reduce the railway freight rates for such articles ? If not, why not ?

THE HONOURABLE MR. L. WILSON : The reply to the first part of the question is in the affirmative. Regarding the second part, Government do not consider that there is justification for a general reduction in the existing classified rates for drugs and medicines, as there is no evidence to show that these are not moving freely. Associations and others interested in the pharmaceutical industry have been recommended to approach the Railways concerned whenever they consider individual freight rates are too high.

ORDNANCE FACTORIES.

42. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja Yuveraj Dutta Singh) : (a) Will Government give the main outlines of the Defence Department scheme for the expansion and modernization of the Ordnance Factories in India, and the approximate cost of installation ?

(b) Has specially selected staff from Indian Ordnance Factories been sent to England to study the latest production methods ? If so, how many of those who have been sent are Indians and how many are Europeans ?

THE HONOURABLE MR. E. M. JENKINS : It would not be in the public interest to give the information asked for by the Honourable Member.

THE HONOURABLE MR. HOSSAIN IMAM : May we ask who is paying the cost of the expansion ? Do His Majesty's Government pay part of the cost of expansion or is it met by the Government of India alone ?

THE HONOURABLE MR. E. M. JENKINS : His Majesty's Government are paying part of the cost.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Did the Honourable Member say that it was not in the public interest even to reply to part (b) of the question ?

THE HONOURABLE MR. E. M. JENKINS : Yes, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What harm would be done if we knew how many men had been sent to England to study the latest methods of production and how many of them were Indians ?

THE HONOURABLE MR. E. M. JENKINS : I have nothing to add to the reply I have already given, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : You have no reason to give for not giving the information ?

THE HONOURABLE THE PRESIDENT : You must leave the discretion to the Honourable Member. It is his choice whether to give any explanation or further information or not.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : We know that. These must be some reason for their attitude.

THE HONOURABLE THE PRESIDENT : He has given his reasons.

AEROPLANE FACTORY.

43. THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (on behalf of the Honourable Raja Yuveraj Dutta Singh) : Will Government state when the aeroplane factory is likely to be established in India, and is likely to begin operation as a measure for intensifying war efforts ?

THE HONOURABLE MR. E. M. JENKINS : An aeroplane factory is now under construction and it is expected to begin operations in a few weeks time immediately it is completed.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : Where is that going to be ?

THE HONOURABLE MR. E. M. JENKINS : I do not think that it would be in the public interest to give details of the location of the factory.

THE HONOURABLE MR. HOSSAIN IMAM : May we know, Sir, whether this company is a private company or a public company ?

THE HONOURABLE MR. E. M. JENKINS : It is a private company, Sir.

EMERY PAPER.

44. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Is it a fact that the Superintendent of the Ishapore Rifle Factory recently wrote as follows to the Assistant Director of Contracts regarding an Indian firm's tender for emery paper :—

"This firm's products are acceptable due to the present emergency : if, however, British made products can be obtained they are preferred" ?

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(b) Have Government issued secret instructions that articles of British make should be preferred to those made in India? If not, what action have they taken or propose to take in regard to the anti-Indian bias shown by the Superintendent of the Ishapore Rifle Factory?

THE HONOURABLE MR. E. M. JENKINS : (a) I place a copy of the letter in question on the table of the House. It will be observed from it that the products of the firm in question were not up to the standard of the imported article and were to be accepted only if the better article was not available. This is in accordance with the Stores Purchase Rules which enjoin preference in respect of indigenous products only when quality is sufficiently good for the purpose. As a matter of fact this particular firm owes a good deal to the advice and assistance given by Government officers in the manufacture of enemy discs.

(b) *First part*.—No. Government strongly deprecate the insinuation. *Second part*.—Does not arise.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Sir, what was the need for the observation since it is known that at the present time imports are greatly restricted and that substitutes have to be found in this country for articles that were formerly imported?

THE HONOURABLE MR. E. M. JENKINS : The fact was that these particular enemy discs of a certain quality have in the past always been imported. When imports became difficult, the officers in the Ordnance Service took steps to obtain substitutes in British India. As soon as the substitutes were good enough for use, they placed orders for them, but they intimated at the same time that they were not yet up to what they regarded as the proper standard.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Did they say so? Did they say clearly that they would like some improvement to be made and was that conveyed to the manager of the factory in question?

THE HONOURABLE MR. E. M. JENKINS : I have no doubt that it was, because it was largely owing to the efforts of the officers of the factory concerned that these enemy discs were made at all.

Copy of the Memorandum No. 6163/1, dated the 10th January, 1941, from the Superintendent, Rifle Factory, Ishapore, to Messrs. Krishnalal Thiranui and Co., 8, Royal Exchange Place, Calcutta.

Subject :—A. D. of C. Tender No. 5E/29/428, dated the 19th December, 1940.

Reference :—Your letter No. 52005/40, dated the 27th December, 1940.

The sample Emery Paper Discs No. 1½ and 2 are acceptable but you should still try to improve your supplies to conform more closely to Goldsworthy.

2. Please arrange for the bulk supply as early as possible.

Copy forwarded to—

The Assistant Director of Contracts,

6, Esplanade East, Calcutta.

For information. This firm's products are acceptable due to the present emergency. If however British made products can be obtained they are preferred.

EAST INDIAN RAILWAY RENT RULES.

45. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Is the staff appointed on the E.I.R. prior to 1st January, 1925 governed by the old East Indian Railway Rent Rules?

(b) If so, is the entire permanent way line staff under those rule from gang coolies to permanent way inspectors allowed the privilege of rent-free quarters?

(c) Do mistries in the line staff hold a position midway between the inspectors and coolies and are required to work during the day or night as required on the line and are they the only class in the permanent way line staff who are now required to pay rent on the ground that their designation is not specified in the list of persons entitled to rent-free quarters? Do Government propose to rectify the omission?

(d) Were most of these men not charged rent for their quarters for years and are they now required to pay the rent for that period? Are Government aware that this is causing great hardship to them? Do Government propose to forego the rent for the past years and to treat them in future in the same way as the rest of the permanent way line staff?

THE HONOURABLE MR. L. WILSON : I am obtaining information from the E.I.R. Administration and shall lay a reply on the table in due course.

RETRENCHMENT OF STAFF IN THE ALLAHABAD DIVISION, E. I. R.

46. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) With reference to the reply to my question No. 73 of the 2nd April, 1940 laid on the table on the 22nd November, 1940, are Government aware of the complaint that in certain departments in the Allahabad Division of the East Indian Railway the subordinate staff are not infrequently retrenched without a prior enquiry into the number of vacancies which are likely to occur in the near future owing to the superannuation of the senior men and that the retrenched hands are re-employed on a much smaller pay and after only a few weeks' or months' break in their service? If so, do Government propose to look into the matter?

(b) Is it also a fact that in the same division of the same Railway the surplus staff in other departments was either compelled to go on leave without pay till vacancies occurred to absorb them or actually retrenched and was re-employed when vacancies occurred and that the break in their service was adjusted as leave without pay so that they might not suffer either in pay or in prospects? If so, why was not a similar procedure adopted in the case of the staff retrenched in 1935 and 1936?

THE HONOURABLE MR. L. WILSON : I have called for the information and will lay a reply on the table of the House in due course.

TELEPHONE OPERATORS.

47. THE HONOURABLE RAI BAHADUR SATYENDRA KUMAR DAS : (a) Are Government aware that the work of telephone operators has increased after the outbreak of the war?

(b) Are Government aware that the telephone operators are required to be specially alert owing to these extraordinary circumstances?

(c) Are Government aware that the nature of the duties of the telephone operators is different from that of the postal clerks?

(d) If so, do Government propose to provide further facilities to the telephone operators by sanctioning suitable house rent?

THE HONOURABLE MR. S. N. ROY : (a) Yes, in some places.

(b) They are always expected to be alert.

(c) Yes.

(d) No.

TELEPHONE OPERATORS.

48. THE HONOURABLE RAI BAHADUR SATYENDRA KUMAR DAS :
(a) Will Government lay on the table a statement showing the Rules and Regulations regarding telephone operators made at the International Labour Conference (League of Nations) at Geneva?

(b) Are Government following those Rules and Regulations in India?

THE HONOURABLE MR. S. N. ROY : (a) I am not aware of any rules or regulations relating specifically to telephone operators.

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

TELEPHONE OPERATORS.

49. THE HONOURABLE RAI BAHADUR SATYENDRA KUMAR DAS :
(a) Is there any classification among the telephone operators? If so, what are the different classes?

(b) What are the features of each of these groups? To what group do the telephone operators of Narayanganj belong?

(c) To what group do the telephone operators of Dacca and Mymensingh belong?

(d) Do Dacca and Narayanganj belong to the same system of Telephone Service?

(e) Are the telephone operators of Narayanganj and telephone operators of Dacca treated alike in the matter of pay and emoluments? If not, why not?

THE HONOURABLE MR. S. N. ROY : (a) The Honourable Member is apparently referring to classification of stations for fixing scales of pay. For this purpose there are three classes, A, B and C.

(b) The classification is based on the general cost of living in various places. Narayanganj belongs to class C.

(c) Dacca and Mymensingh are in class B.

(d) Dacca and Narayanganj are on different telephone exchanges but no toll charge is made at present for calls between the two places.

(e) No, because Dacca is a B class station and Narayanganj a C class station.

NET EXPENDITURE DEBITABLE TO INDIA ON ACCOUNT OF DEFENCE SERVICES.

50. THE HONOURABLE MR. HOSSAIN IMAM : Will Government lay on the table a statement showing the monies debited to His Majesty's Government and the Government of India relating to the expenditure incurred on account of Defence in 1939-40 and nine months of 1940-41?

THE HONOURABLE MR. C. E. JONES : A statement of Defence expenditure debitable to the Government of India in 1939-40 and nine months of 1940-41 is placed on the table. It is not in the public interest to supply the same information regarding expenditure debited to His Majesty's Government.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : May we know, Sir, why that information cannot be disclosed since the public has been allowed to know what are the special expenses incurred on account of the war by the Government of India?

THE HONOURABLE MR. C. E. JONES : My instructions, Sir, from the authority who is in the best position to know and on whom rests the responsibility for decision is that it is not in the public interest that this information be divulged.

THE HONOURABLE MR. HOSSAIN IMAM : Can we get some relative idea?

THE HONOURABLE THE PRESIDENT : When the Government Member says he cannot give the information, there is an end of it. You cannot pursue the matter any further.

<i>Net expenditure debitable to the Government of India on account of Defence Services.</i>	
	Rs. (In lakhs.)
1939-40	49.53
1940-41 (first 9 months)	42.18

COST OF THE CHATFIELD MEASURES.

51. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state the amount of payment made by His Majesty's Government in each financial year as a result of the Chatfield Report?

THE HONOURABLE MR. C. E. JONES : Under the War Expenditure Plan outlined in the Budget speech, 1940, it is neither essential nor practicable to segregate the cost of Chatfield measures.

THE HONOURABLE MR. HOSSAIN IMAM : Do we take it, Sir, that the Chatfield recommendation has been dishd now?

THE HONOURABLE MR. C. E. JONES : No, Sir.

COST OF THE CHATFIELD MEASURES.

52. THE HONOURABLE MR. HOSSAIN IMAM : Has Government considered the fact that the cost of mechanization has greatly increased on account of war? (b) If so, have they asked His Majesty's Government to increase its contribution, and (c) if not, why?

THE HONOURABLE MR. C. E. JONES : As pointed out in the Budget speech, 1940, there has been a great increase in the cost of the Chatfield scheme and under the War Expenditure Plan this increase is automatically debited to His Majesty's Government.

CONSTRUCTION OF A BROADCASTING STATION AT NAGPUR.

53. THE HONOURABLE MR. V. V. KALIKAR : (a) Did the Provincial War Committee, Central Provinces and Berar, make representations to the Government of India to construct a Broadcasting Station at Nagpur?

(b) Will Government state—

- (i) the cost that will be incurred for constructing a Broadcasting Station at Nagpur ;
- (ii) when funds will be available for constructing the Broadcasting Station at Nagpur ; and
- (iii) when Government propose to undertake the next programme of development ?

(c) Are there Broadcasting Stations at mofussil centres like Dacca and Trichy ? If so, do Government propose to have a Broadcasting Station at a provincial capital like Nagpur as early as possible ? If not, why not ?

THE HONOURABLE MR. S. N. ROY : (a) Yes, such a representation was made to the Provincial Government, who forwarded it to the Government of India.

(b) (i) The cost of a station depends, amongst other things, on the power and type of the transmitter.

(ii) and (iii). In present circumstances I regret I am not in a position to make any statement.

(c) Yes. The claim of Nagpur to have a broadcasting station will be considered in connection with the next programme of development to be undertaken when funds become available.

TOTAL RECEIPTS FROM INCOME-TAX EXPECTED FROM ANGUL (ORISSA).

54. THE HONOURABLE MR. N. K. DAS : Will Government state the total receipts from income-tax (including surcharge, super-tax, and excess profits tax) expected from Angul (Orissa) in the year 1940-41, as a result of the withdrawal of the exemption granted to this area in 1923, under section 60 of the Indian Income-tax Act, 1922 (XI of 1922) ?

THE HONOURABLE MR. C. E. JONES : I have called for information and the reply will be laid on the table of the House in due course.

EXTENSION OF CERTAIN CENTRAL ACTS TO THE PARTIALLY EXCLUDED AREAS IN ORISSA.

55. THE HONOURABLE MR. N. K. DAS : Will Government state whether the following Acts of the Indian Legislature have been extended to the partially excluded areas in the Province of Orissa as required by section 92 of the Government of India Act, 1935 and if so, what are the dates and Nos. of the respective notifications made by the Provincial Governor :—

- (a) The Indian Income-tax Act, 1922 (XI of 1922) ?
- (b) The Indian Income-tax (Amendment) Act, 1939 (VII of 1939) ?
- (c) The Indian Finance Acts, 1937, 1938, 1939 and 1940 ?

THE HONOURABLE MR. C. E. JONES : (a) No. This Act being an "existing Indian Law" and not an Act of the Federal Legislature, section 92(1) of the Government of India Act, 1935, has no application.

(b) Yes. Notification of the Government of Orissa in the Finance Department No. 7890-F., dated 6th August, 1940.

(c) The Indian Finance Acts of 1940 have been extended, *vide* Notifications of the Government of Orissa, Nos. 333-F. and 341-F., dated 28th January, 1941. Those of 1937, 1938 and 1939 have not been extended.

REDISTRIBUTION OF CHARGES OF COMMISSIONERS OF INCOME-TAX.

56. THE HONOURABLE MR. N. K. DAS : Is Government contemplating to change the existing arrangement of Orissa with Bihar and attach Orissa to Madras, for the purpose of Income-tax administration ? If so, has Government ascertained the public opinion on the proposed change ?

THE HONOURABLE MR. C. E. JONES : The general question of redistribution of charges of Commissioners of Income-tax with a view to improved administration is under consideration. Government will consider the interests affected before arriving at a decision.

ADMINISTRATIVE DUTIES OF COMMISSIONERS OF INCOME-TAX.

57. THE HONOURABLE MR. N. K. DAS : (a) What are the duties under the law left for the Commissioner of Income-tax to discharge after Part II of the Indian Income-tax (Amendment) Act, 1939 (VII of 1939) came into force ?

(b) What are his administrative duties left over after those assigned to the Inspecting Assistant Commissioner ?

THE HONOURABLE MR. C. E. JONES : (a) The Honourable Member is referred to sections 2(11)(b), 5(5), 5(7), 33(2) as amended, 46(3), 46(4), 54(5), 58B, 58D, 58G, 58J, 64(3), 66(1), (2) and (3) as amended and 66(7) of the Indian Income-tax Act, 1922, as amended by the Amendment Act of 1939.

(b) The Commissioner is the head of the Income-tax administration in the province, and as such his administrative duties cover general control, organization and conduct of the work in the province. The fact that the Inspecting Assistant Commissioner, who is subordinate to the Commissioner, performs certain administrative functions does not minimize the responsibility of the Commissioner.

RULES FOR DEPARTMENTAL EXAMINATIONS OF INSPECTORS AND ACCOUNTANTS IN THE INCOME-TAX DEPARTMENT, BIHAR AND ORISSA.

58. THE HONOURABLE MR. N. K. DAS : (a) Has there been a change in the Rules for Departmental Examinations, for the Income-tax Department for Inspectors and Accountants in Bihar and Orissa since 1940, prescribing an age limit ?

(b) How many officers in Bihar and Orissa have been affected adversely by this change ?

(c) Do Government propose to allow the old recruits the benefits of the old Rules ?

THE HONOURABLE MR. C. E. JONES : (a), (b), and (c). The information is being obtained and will be laid on the table of the House in due course.

MAXIMUM AMOUNT OF PENALTY IMPOSED FOR CONCEALMENT OF INCOME IN
BIHAR AND ORISSA.

59. THE HONOURABLE MR. N. K. DAS : (a) Will Government state what is the total amount of penalty under section 28 (for concealment) of the Income-tax Act, 1922 (XI of 1922), imposed in Bihar and Orissa for the assessment years 1938-39, 1939-40 and 1940-41, respectively?

(b) In how many of them were the maximum amounts imposed and how many of them were over ten thousands?

(c) Is it a fact that penalties for the assessment year 1938-39 are charged under the Indian Income-tax (Amendment) Act, 1939 (VII of 1939), at one and half times the tax avoided (including super-tax)?

THE HONOURABLE MR. C. E. JONES : (a) and (b). I have called for information and the reply will be laid on the table of the House in due course.

(c) Penalty up to a maximum of one and a half times the tax avoided can be imposed if the offence was committed after the Amendment Act came into force.

APPRENTICES IN ORDNANCE FACTORIES.

60. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) How long has the present system of training apprentices in the Ordnance Factories been in force?

(b) What is the total number of apprentices trained so far? How many of them have been employed permanently and how many are temporarily employed?

THE HONOURABLE MR. E. M. JENKINS : (a) The scheme of apprentices training in Ordnance Factories has been in operation since 1924.

(b) The total number of apprentices trained is 365. Out of these 83 hold permanent and 167 temporary appointments in factories. Seventeen are employed in other Government Departments and 45 have secured private employment or are under training in the United Kingdom. Nine have died and one has been invalided. Particulars of the remaining apprentices are not available.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member give particulars about those who are in England—how many are Europeans and how many Hindus or Moslems?

THE HONOURABLE MR. E. M. JENKINS : I regret I have not the information on that point, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Have any of those who were not formerly employed been absorbed since the war broke out?

THE HONOURABLE MR. E. M. JENKINS : I regret I have no specific information on that point, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Is any effort being made to absorb such of them as are not employed at present?

THE HONOURABLE MR. E. M. JENKINS : Well, it is clear from the figures I have given that out of a total of 365 apprentices, 43 are not accounted for.

In view of the present state of the labour market, I should say they would have no difficulty in securing appointments in the Ordnance Factories if they are still unemployed.

ASSISTANT FOREMEN AND FOREMEN IN ORDNANCE FACTORIES.

61. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What is the total number of assistant foremen and foremen in the Ordnance Factories? Excluding Anglo-Indians, how many of them are Indians?

THE HONOURABLE MR. E. M. JENKINS : The total number of assistant foremen and foremen in the Ordnance Factories is 443 of whom excluding Anglo-Indians 86 are Indians.

METHOD EMPLOYED IN SELECTING APPRENTICES FOR ORDNANCE FACTORIES.

62. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Will Government state whether apprentices for Ordnance Factories and special class apprentices for the State Railways are selected by the Federal Public Service Commission by means of one and the same examination?

(b) Are the railway apprentices appointed to the Superior Revenue Establishment and are the apprentices selected for employment in the Ordnance Factories appointed to subordinate posts on small salaries? If so, why are the latter not appointed after suitable training to the superior grade?

THE HONOURABLE MR. E. M. JENKINS : (a) Yes.

(b) Yes. The apprentice scheme for Ordnance Factories is necessarily devised for securing a supply of suitable candidates for the subordinate appointments in Ordnance Factories. There is however no bar to the promotion of ex-apprentices to the superior (gazetted) ranks if their work justifies promotion.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Why are they not appointed to the superior posts straight off?

THE HONOURABLE MR. E. M. JENKINS : The difference is this, that in the railway services, to which reference has been made, the number of gazetted posts is very much larger, whereas in the Ordnance Factories the main problem is limited to foremen and assistant foremen.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Have there been no vacancies in the superior grades during the last 16 years to which any of them could be appointed?

THE HONOURABLE MR. E. M. JENKINS : I regret I have not the information on that specific point, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Can you tell me whether any of these apprentices has been promoted to a superior post?

THE HONOURABLE MR. E. M. JENKINS : No, Sir, I cannot give that information.

EMPLOYMENT OF INDIANS IN THE SUPPLY DEPARTMENT.

63. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Is it a fact that the Resolution moved in the Council of State regarding the Supply

Department which was accepted by Government on the 26th November, 1940, asked among other things that "early steps be taken to secure that the Supply Department is so organized as to safeguard and promote industries by the employment in important posts of an adequate number of Indians drawn from the services and from the business organizations"?

(b) What steps have Government taken to implement this demand and with what results?

THE HONOURABLE MR. E. M. JENKINS : (a) Yes.

(b) The question of employment of Indians is always borne in mind and an attempt is made to find a suitable Indian for each vacancy as it occurs. The Resolution itself has been brought to the notice of the officers of the Department and except in the Munitions Production Branch, where it has proved impossible to find suitable Indian mechanical engineers, the appointments of Europeans and Indians made since 26th November, 1940 are fairly equally balanced.

THE HONOURABLE MR. HOSSAIN IMAM : Is it a fact that in the Munitions Production Branch, out of 50 there are only three Indians?

THE HONOURABLE MR. E. M. JENKINS : I have not the exact figures before me, but the number of Indian appointments in the Munitions Production Branch is admittedly small.

THE HONOURABLE MR. HOSSAIN IMAM : Have all the employees in that Department engineering qualifications?

THE HONOURABLE MR. E. M. JENKINS : Most of the officers in the Munitions Production Branch are necessarily engineers and a high proportion of them are mechanical engineers.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : How many of the new officers appointed under the Director General of Munitions Production are Indians?

THE HONOURABLE MR. E. M. JENKINS : I have not the figures with me, Sir, but I think that they will be placed before the House, if I remember rightly, in reply to a question which will be coming up on a later date.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Would I be, generally speaking, correct in saying that there has not been an increase of more than one or two Indians since November last?

THE HONOURABLE MR. E. M. JENKINS : I should hesitate to give any exact figure, Sir.

CHARGES RECOVERED ON PURCHASE OF STORES MADE FOR FOREIGN AND EMPIRE GOVERNMENTS.

64. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state whether any charge is made from His Majesty's Government and other foreign or Empire countries on account of the cost of the Supply Department? If so, how much and if not, why?

THE HONOURABLE MR. C. E. JONES : A departmental agency charge of per cent. is recovered on all purchases of stores made for foreign and Empire

Governments except His Majesty's Government. As regards His Majesty's Government the attention of the Honourable Member is invited to the Honourable the Finance Member's reply to question No. 218 in the Legislative Assembly on the 22nd November, 1940.

RURAL DEVELOPMENT FUND.

65. THE HONOURABLE MR. HOSSAIN IMAM : Will Government lay on the table a statement showing the unspent balances of the Rural Development Fund, with each Provincial Government and the Central Government on 31st December, 1940 and how and when they propose to spend them?

THE HONOURABLE MR. C. E. JONES : The balance in the Fund as on the 31st December 1940 was Rs. 59,46,897.

This included a sum of Rs. 51,79,240 earmarked for the provinces and centrally administered areas but not yet allotted, and Rs. 7,67,657 earmarked for certain approved schemes which are being administered by the Government of India. The details of the former item are given in the statement which I lay on the table.

Information regarding the balances with the Provincial Governments on this date is not available. The details of the accepted schemes on which the Provincial Governments are spending their allotments and the rate of progress of their schemes may be seen in the "Report on the progress of the schemes financed from the grants for Rural Development" which was placed on the table of the House on the 19th February, 1941.

THE HONOURABLE MR. HOSSAIN IMAM : May we ask why this delay that we get the information about November, 1939 in February, 1941?

THE HONOURABLE MR. C. E. JONES : Because of delay in receipt of that information by the Government of India, Sir.

Fund for the economic development and improvement of rural areas.

	Total grants earmarked.	Total allotment made up till 31st December, 1940.	Balance available with the Government of India on 31st December, 1940.
	Rs.	Rs.	Rs.
Madras	28,73,000	20,42,100	8,30,900
Bombay	10,62,000	7,63,015	2,98,985
Bengal.	34,00,000	30,23,600	3,76,400
United Provinces	32,00,000	20,70,556	11,29,444
Punjab	17,00,000	14,61,000	2,39,000
Bihar	21,68,000	11,23,000	10,45,000
Central Provinces and Berar	11,00,000	8,52,267	2,47,733

Fund for the economic development and improvement of rural areas--contd.

	Total grants earmarked.	Total allotment made up till 31st December, 1940.	Balance available with the Government of India on 31st December, 1940.
	Rs.	Rs.	Rs.
North West Frontier Province.	6,00,000	3,94,405	2,05,595
Assam	10,00,000	7,40,000	2,60,000
Orissa	7,09,000	4,36,000	2,73,000
Sind	4,38,000	1,74,000	2,64,000
Delhi	1,00,000	1,00,000	..
Ajmer-Merwara	1,00,000	90,817	9,183
Coorg	1,00,000	1,00,000	..
	1,85,50,000*	1,33,70,760	51,79,240

* Exclusive of Rs. 10 lakhs allotted to Burma.

BROADCASTING CAPITAL FUND.

66. THE HONOURABLE MR. HOSSAIN IMAM : Will Government lay on the table a statement showing the amount of unspent balances of the Development of Broadcasting Fund on 31st January, 1941, and the amounts sanctioned for expenditure in 1940-41 ?

THE HONOURABLE MR. S. N. ROY : The amount of unspent balance on the 31st January, 1941 in the Broadcasting Capital Fund was Rs. 6,52,789. The amount sanctioned for expenditure out of the Fund in 1940-41 was Rs. 4,83,000.

THE HONOURABLE MR. HOSSAIN IMAM : On what was that expenditure incurred, Sir ?

THE HONOURABLE MR. S. N. ROY : There are so many items covered by it that I cannot very well take up the time of the House by reading them out. If the Honourable Member wishes, I shall lay a statement on the table.

THE HONOURABLE MR. HOSSAIN IMAM : Yes, Sir, I desire a statement to be laid on the table.

CONTRACTS PLACED BY THE SUPPLY DEPARTMENT.

67. THE HONOURABLE MR. HOSSAIN IMAM : Will Government lay on the table a statement showing separately the contracts placed by the Supply Department for each of the following classes (a) one to ten lakhs in value, (b) ten to fifty lakhs in value, and (c) above fifty lakhs in value :—

- (1) Commodity.
- (2) Name of contractor.
- (3) No. of tenders received.
- (4) The name of the firm or person and the rate of the lowest tender.
- (5) How tenders were invited.
- (6) If no tender was invited, the reasons therefor ?

THE HONOURABLE MR. E. M. JENKINS : (a), (b) and (c). I regret I cannot give a detailed answer to this question. The number of orders over Rs. one lakh in value runs into hundreds and it would require a considerable amount of labour to collect and tabulate the information asked for by the Honourable Member. Moreover, in a number of cases, it would be inadvisable, for reasons of secrecy and military necessity, to disclose the quantities of certain stores purchased.

RUPEE NOTES.

68. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state the number of one rupee notes issued by Government in each month and the number withdrawn each month up to the end of February, 1941 ?

THE HONOURABLE MR. C. E. JONES : As I stated in reply to the Honourable Member's question No. 91 on the 2nd December, 1940, no distinction is maintained in the accounts of the Reserve Bank between silver rupees and one rupee notes.

THE HONOURABLE MR. HOSSAIN IMAM : May we ask, Sir, whether the notes are issued in the first place to the Reserve Bank or to the public by the Government ?

THE HONOURABLE MR. C. E. JONES : The notes are issued by the Government to the Reserve Bank which issues them to the public.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Does the Reserve Bank keep no account of the number of notes received from Government ?

THE HONOURABLE MR. C. E. JONES : It is quite possible that they do, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Then what is the difficulty in giving the information asked for by the Honourable Mr. Hossain Imam ?

THE HONOURABLE MR. C. E. JONES : One reason is that Government have no intention of commencing to make in practice a distinction which is not recognized by the law.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Then Government are unwilling to supply the information asked for ?

THE HONOURABLE MR. C. E. JONES : I have nothing more to add to what I have said, Sir.

THE HONOURABLE MR. HOSSAIN IMAM : May we know whether the fact, as stated in Statement C that only 10 crores of one rupee notes have been issued—is that correct up to date, Sir ?

THE HONOURABLE MR. C. E. JONES : I think not, Sir.

INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE.

THE HONOURABLE MR. H. C. PRIOR (Labour Secretary): Sir, I lay on the table the reply promised to question No. 34 asked by the Honourable Mr. M. N. Dalal on the 25th November, 1940.

ESTABLISHMENT OF NEW INDUSTRIES IN CONNECTION WITH THE TRANSPORT SYSTEM OF THIS COUNTRY BY RAILROAD, WATER AND AIR.

It is understood that by industries in connection with the transport system the Honourable Member means industries for the manufacture of the means of transport. On this understanding, the answer to his question is as follows:—

- (a) None in connection with railroad transport; as regards water transport a private company has been given some acres of land in the Vizagapatam Harbour on long term lease for the construction of shipbuilding yard. In respect of air transport, the Hindustan Aircraft Company have started the construction of an aircraft factory and hope to complete it and begin the construction of aircraft in a few weeks time. Government have placed a contract with this Company for the supply of military aircraft.
- (b) The Government of India have done nothing that would conduce to the establishment of any monopoly as regards the manufacture of aircraft and ships, though they are not in a position to compel industrialists to set up competitive establishments. As regards the manufacture of locomotives, the question does not seem to arise as it is not expected that the manufacture of locomotives will be undertaken by a private company.

THE HONOURABLE MR. L. WILSON (Chief Commissioner for Railways): Sir, I lay on the table the information promised in reply to question No. 93 asked by the Honourable Haji Syed Muhammad Husain on the 2nd December, 1940.

NAMES OF MUSLIM AND OTHER CONTRACTORS REGISTERED ON THE E.I.R., E.B.R. AND G.I.P.R.

(a).

Railway.	Total No. of contractors registered.		No. of Muslim contractors who actually got work.					
	Non-Muslims.	Muslims.	Over Rs. 5,000.			Under Rs. 5,000.		
			1938.	1939.	1940.	1938.	1939.	1940.
<i>G. I. P. R.</i>								
Bombay Dn.	36	3	..	..	..	1	..	..
Poona	22	2	..	..	..	1	..	..
Jhansi	47	13	..	..	..	11	8	9
Nagpur	..	15	..	..	..	1	..	..
Jubbulpore	28	7	..	..	..	4	6	9
Bhusawal	7	2	..	..	..	..	1	..

Railway.	Total No. of contractors registered.		No. of Muslim contractors who actually got work.						
	Non-Muslims.	Muslims.	Over Rs. 5,000.			Under Rs. 5,000.			
			1938.	1939.	1940.	1938.	1939.	1940.	
<i>E. I. R.</i>									
Howrah Dn. . . .	25	17	2	1	1	17	17	17	
Asansol „ . . .	42	11	..	1	1	6	8	11	
Dinapore „ . . .	18	2	..	..	3	2	2	2	
Allahabad „ . . .	25	11	4	4	6	7	7	5	
Lucknow „ . . .	21	10	..	..	..	10	10	10	
Moradabad „ . . .	48	27	2	1	..	17	27	26	
<i>E. B. R.</i> . . .	320	44	9	7	7	..	..	..	

NOTE:—

- (a) Information is given as far as is readily available.
- (b) On the E. I. R. and G. I. P. R., public tenders are called for in the case of works costing over Rs. 5,000. No registers of approved contractors are maintained.
- (c) On the Dinapore, Moradabad and Lucknow Divisions of the E. I. R. registers of approved contractors are not maintained and the figures given above relate to working contractors only.
- (d) Of the total number of contractors registered on the E. B. R. the figures for Muslims and non-Muslims divided in accordance with the value of works are as follows:—

	Non-Muslims.	Muslims.
No. of contractors for works costing over Rs. 5,000 .	153	19
No. of contractors for works costing over Rs. 5,000 and under	167	25

(b)

Railway.	No. of Muslim contractors who applied to be registered during 1938, 1939 and 1940.	Number registered during this period.	Number of contractors who actually got work.	Remarks.
1. E. B. R.	21	19	10	* These figures do not include those for Dinapore, Lucknow and Moradabad Divisions which do not maintain any register of approved contractors.
2. G. I. P. R. . . .	35	21	10	
3. E. I. R.	44	14*	14*	

INFORMATION PROMISED IN REPLY TO QUESTION LAID ON THE TABLE.

(c)

Railway.	No. of refreshment rooms.		No. of dining cars.		Remarks.
	Total.	Muslim.	Total.	Muslim.	
1. E. B. R.	26	12	..	..	
2. G. I. P. R.	15	7	1*	..	* Indian dining car service is provided only on the Grand Trunk Express trains between Balharshah and Delhi. The car supplies meals for all communities, no portion of the car being set aside for any one community.
3. E. I. R.	39	18	4†	..	† These cars are used jointly by the Hindu and Muslim dining car contractors.

STATEMENTS, ETC., LAID ON THE TABLE.

FINANCE ACCOUNTS, 1939-40 AND THE AUDIT REPORT, 1941.

THE HONOURABLE MR. C. E. JONES (Finance Secretary): Sir, I lay on the table a copy ‡ of the Central Government's Finance Accounts, 1939-40 and the Audit Report, 1941.

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 meetings held on the 28th February, and 3rd March, 1941, namely :—

A Bill to extend certain Acts to Berar.

A Bill to provide for the regulation of and the maintenance of discipline in the Assam Rifles.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

SECRETARY OF THE COUNCIL: Sir, a message has been received from the Secretary of the Legislative Assembly. The message runs as follows :—

"I am directed to inform you that in accordance with rule 36 (1) of the Indian Legislative Rules, the amendments made by the Council of State in the Bill further to amend the law relating to fraudulent marks on merchandise were taken into consideration by the Legislative Assembly at its meeting held on Monday, the 3rd March, 1941 and that the Assembly has agreed to the amendments."

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

GENERAL DISCUSSION OF THE GENERAL BUDGET FOR 1941-42.

THE HONOURABLE THE PRESIDENT: Honourable Members, we will now proceed with the discussion of the Budget, Part II. I do not wish to depart from the usual practice which I have followed for many years in this House of allowing Honourable Members freedom of speech provided they do not extend their speeches to such a length as to be little more than cumbersome to Honourable Members. But the debates in this House are becoming more interesting and many more Honourable Members take part in these debates. I find that the time which is generally allowed by His Excellency the Viceroy for the discussion of the Budget in this House is small. But there we have no remedy since the matter rests with His Excellency the Viceroy. But I must bring to your notice that it is becoming the tendency in this House to lengthen out the debates and that many Honourable Members actually repeat the arguments and points raised by previous speakers and thus a considerable amount of time is wasted in these debates. In proceeding in such a manner all interest is lost in the debates at a later stage of the day; members leave the House and the debate becomes uninteresting. I would therefore commend to your attention the practice which prevails in the House of Commons, and I think this is the right time now that we should resort to that practice, which I may briefly explain to you. There the Leaders of the different Parties make it their duty to select the members of their Parties who are to participate in the debates. Not only does the selection rest with them, the Leaders also assign the subjects with which each member should deal. The result is that the debates become very interesting as the various speakers have studied their subjects thoroughly without repeating the arguments of members who have spoken before. The debates are not tiresome and uninteresting. If you would adopt that practice before a debate takes place on the Budget, of selecting the speakers and the subjects they are to deal with, our debates will be entitled not only to the respect of the House but will be read by the public with great interest. I commend this practice to you. Meanwhile, I do not wish to make any alteration in the practice we have followed. Perhaps you will give this matter your attention as early as possible. I will only request Honourable Members to bear in mind that half an hour has already gone in question time and there are many Members who are anxious to speak on the Budget, and therefore I hope you will exercise your good sense and discretion and limit your speeches to a reasonable extent.

THE HONOURABLE SIR A. P. PATRO (Nominated Non-Official): Sir, after the clear and informing statement by the Honourable the Finance Secretary in this House there is very little room for controversial points on the civil estimates. The increasing and colossal expenditure and consequent deficits are the real vital points in the Budget, and they have to be dealt with along with the place of industries in the organization of the war effort and afterwards. These are the two points which I propose to touch on in the course of the brief remarks I propose to make.

Sir, this second war budget is not a surprise one to the country. The country was warned last November by the Honourable the Finance Member in discussing the emergency budget that India must be prepared for a large deficit and the consequent liability to make up that deficit. But the surprise is that in making up that deficit the Honourable the Finance Member has made the

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burden as slight as possible. Many sections of the people thought it would be much heavier. The current deficit of Rs. 8.42 crores and the prospective deficit of Rs. 20 crores is sought to be made up by taxation as well as by loan. It was at one time thought that the present burden should not be shared by the future. In fact when I advanced that theory of meeting the deficits by loans and not wholly from Taxation the Finance Member treated it with scant courtesy and said it could not be accepted. But I am glad now that the gap between revenue from taxation and the uncovered deficit is to be covered by means of loans, that the future also has to share in the burdens of the present. That is really a welcome feature of the Budget. I am glad to say that the increased rates of excess profits tax and super-tax and the other indirect taxes are such that they do not affect the masses and the lower middle classes of the people. Those only are affected who make large profits out of the war and they must necessarily contribute a portion of their profits towards the war effort. The taxation proposals have in fact been described as a "painless extraction" from the people with a view to helping the war. A noteworthy feature of the Budget is also this, that the taxation proposals leave the country prepared to be able to meet future contingencies. It is obvious that this is not all that will be needed. Circumstances are moving rapidly and the international situation has become so very alarming it may be necessary for the Finance Member to bring in another emergency budget in a short time. We can see the indication in the news. Things are not at all satisfactory. Therefore the Finance Member will be perfectly justified in asking us again to make additional sacrifices in the interest of the defence of India and in order to defeat Nazism, and it is not easy to say how great that additional burden may be.

The second point I wish to place before this House is the relief which we obtained from the repayment of the sterling loan. India's sterling debt having been relieved, the explanation offered by the Honourable the Finance Secretary here in this House really clears many suspicions and doubts which had been given vent to in the press and on the platform in regard to this aspect of the Budget. In wiping out the external debt our financial credit has thereby been enhanced. Another thing it has done is to knock on the head the oft-repeated charge of the drain on India. This freedom from external debt is a strong factor in regard to India's capacity to manage her own affairs hereafter. That is the point I wish to press before this House, that this is a relief to us, not only in the matter of immediate reduction of interest charges, but it is a real indication of the capacity of India to manage her own affairs hereafter.

Now, the third point which I wish to refer to is the inordinate expenditure on Defence. Of course compared with other countries, and the conditions of other countries, we are comparatively free from heavy burdens; in fact we enjoy comparative peace and happiness but what is it considering the economic condition of our country? We cannot look upon the alarming rise of expenditure with equanimity. What was Rs. 38 crores of defence expenditure in the Budget of 1939-40 has now come to Rs. 84.13 crores—an enormous rise of more than Rs. 40 crores in the course of a few months. We do not complain of this expenditure nor of the necessity for such heavy expenditure. It is the primary duty of India to defend herself and to assist Great Britain in defeating Nazism. We are all bound to work whole-heartedly to crush Nazism. Any sacrifice that India can make in the matter is not too much and therefore it should be the endeavour of India to be able to defend herself and to assist Great Britain in defeating Nazism. This morning I saw a message from the A. P. I. from Wardhaganj that permission has been granted to

Satyagrahis to go from door to door and to preach against the war in the villages and in the towns. If this is the attitude of certain classes of people, I am sure that Government have to take strong measures to prevent such a disaster taking place in the mofussil areas. Within the last few days I have been going about in the villages and I have observed the mentality, the attitude, of the rural population. They are not in the least concerned with anti-war agitation. On the other hand there have been such voluntary contributions not only to the funds opened by the Governor of Madras but also in the matter of loans. Even village officers and the rich ryots have been investing their money on loans. Therefore, it was very interesting to me to observe how in the rural areas people have been responding to the call of duty, to the call of the country, to defend themselves and to defeat Nazism. While this is the feeling now prevailing, it is a surprise that from Wardhaganj a message should issue that from door to door anti-war propaganda should be carried on and I am sure that no one here in this House will sympathize with such an attitude that has been taken up. It is all disaster—disaster from the beginning to the end—and not in the interests of the country or the people; it is suicidal. Every form of activity which helps Nazism ought to be summarily dealt with. Let it be understood by all that the destiny, political and economic, of India is bound up with the success of Great Britain. When Great Britain succeeds with our help and assistance, when we defend ourselves ably and courageously, then is the occasion for us to fight for Swaraj. Then no one will be behind the times. Swaraj is our birthright and we have to fight for it; but this is not the occasion when we have to assert any such demands. Our present duty is to see that the enemy at the door is driven out, defeated and crushed. That is the urgent duty that lies before us. Therefore we must all realize that the success of Great Britain is very necessary in the interests of India herself. Now, Sir, it is no doubt very satisfactory to note that in fact the military conscience of Army Headquarters has been roused to the necessity of being more active and a little more frank in the matter of its dealings, but yet the whole question remains. What is the policy which Defence has got in regard to India and what is the role the Indian Army occupy in the dispensation of the army? These are questions which have not been solved and it is therefore necessary to evoke greater interest in the war effort, an abiding interest among the people that Defence is their own business and not that of the foreigner. The old theory is that it is the duty of India to guard the frontiers and to have internal peace, and the rest, all external defence, is to be carried out by Great Britain for India. Four hundred millions of people have to be defended, not by themselves, not by their own sons, but by outsiders; the Imperial Army of Great Britain has to undertake the responsibility of protecting Indians and the duty of Indians is only to guard the frontier and to maintain internal peace. This has been the principle of Defence. But where is the policy laid down? The policy has not yet been laid down with regard to Defence in India. We demand that the Defence Department ought clearly and unambiguously lay down what is its position. In the Draft Instructions to the Governor General, Parliament has stated that the Defence of India must to an increasing extent be the concern of the Indian people. That was clearly stated in the Instrument of Instructions. What has been done since? Every year Rs. 38 to Rs. 45 crores have been spent, tragic expenditure without a corresponding benefit to the Indian Army. The Defence Department has been spending all this money extravagantly. What is correspondingly the improvement effected in the Indian Army? Until the eyes of the Army Headquarters and Defence Department were opened by the expert committee, the Chatfield Committee, we have had no scientific equipment, no equipment of any sort for modern requirements, but we had only the

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old instrument, antedeluvian machinery, and 400 millions of people to be defended. What is it then that this vast sum of Rs. 45 crores is utilized for? The Chatfield Committee recommended that the old principle of allowing India to defend only the frontiers and to maintain internal peace, and the rest to be undertaken by the British Government, ought to be scrapped; it is no longer desirable both in the interests of India and Great Britain. While they recommended that the limits of Indian protection should be extended both in the East and in the West, they have also made a comprehensive statement as regards the development of the army, navy and air force, all to be completed within a period of five years. No doubt with regard to the navy they have fixed a longer period. But then this comprehensive scheme which they have recommended is also to be supported by the British exchequer. £34 millions have to be provided by the British exchequer, three-fourths of which would be granted free and one-fourth would be interest-free. Now this financial responsibility was undertaken by the British exchequer because the Committee laid down the joint responsibility of India and Britain for the defence of India. It is not only that Great Britain should protect India but Great Britain and India should jointly be responsible for the defence of India. Hence, Sir, if there is an enhancement in the expenditure on the defence of India and if there is a contribution by the British exchequer, it is a necessary one and joint responsibility therefore has been established by the recommendations of this expert committee. But the expert committee reported in February, 1939 and the war broke out in September, 1939 and now we do not know where we are with regard to these recommendations of the Chatfield Committee. Nevertheless there is one thing certain, that a certain amount of reform has been inaugurated, that the changes that have been introduced are such that, while the enemy is at the gate knocking with sword in hand, and while aeroplanes are threatening everywhere, we have begun last-moment preparations. Last moment preparations necessarily involve hurried expenditure, waste of the Indian taxpayer's money, and inevitably so. Therefore, Sir, I plead in all earnestness that the Defence Department should not hereafter sit behind closed doors. This mystery and this reticence of the Defence Department must disappear. What is necessary is that the public must be taken into confidence, either a standing committee or an advisory committee or any other form of committee should be set up, not with reference to political parties. If you associate political parties with it, I am sure you will not be able to form a committee of that type. There will be conflict. But if you have got independent men of administrative experience and knowledge and who have gone through the discipline of action, they will be able to help the Government in this matter and act as advisers to the people themselves. The public at present feels they have no interest in defence matters. What have they got to do in order to support the proposals of the Government? We have not been asked, we have not been consulted, we do not know what is taking place. That is the attitude I find in several places during my tours. And if this is the attitude of mind that is developing and deepening in the country, then, Sir, it is not at all safe for the British Government. It should not be a permanent feature. Even now it is not too late. The Government must wake up and take the people into their confidence and have some sort of organization by which there will be some communication between the Government and the people. In that case there will be no difficulty in the Government enlisting the wholehearted sympathy and support of the people. And therefore I very earnestly urge that the Government should lose no time in establishing relationship between the people and the Defence Department. Failure to do so will be fraught with serious consequences hereafter.

Now, Sir, the last point which I wish to refer to is the position of industries in India. The war no doubt has given a stimulus to many industries to help in the war effort. New factories, new workshops, have all been started. But then what will be the effect of these activities after the war? Now it is time that the Government made an intensive effort to promote industries and they should lose no time. There should therefore be an agency established which would be in existence to assume responsibility and continue to foster these industries after the war. If that is not done in regard to the major industries, that is the heavy industries, with a long-range policy, I fear that those industries to which impetus has been given now may not continue to flourish. I quite agree that it is necessary that there should be greater organization among the people and a greater co-operative spirit shown among the people themselves with a view to assist the Government in the matter of organizing the industries, but at the same time the Government must establish some agency by which the industrial development which has been inaugurated may be continued. And I am sure the Government will not be at all behind the times in establishing such an agency. What is necessary is to continue the stability and continuance of the industries now started. We do not want industrial stagnation which has been too much in evidence heretofore. Possibly it will be not stagnation but actual decline after the war. India's progress depends not so much on forms of government and constitutional changes as on sound economic foundations and that is what is necessary for all thoughtful Indians to consider at present in regard to industry. Meanwhile, it is our duty as citizens of India, our duty as public men, in our own interests and in the interests of Great Britain, that we should wholeheartedly work and co-operate for the successful defence of India and for the success of Great Britain and the defeat of Nazism. Crush the enemy by all means possible, by the high courage and resources which India could place at the disposal of Great Britain to defeat Nazism.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay: Non-Muhammadan): Sir, in offering a few comments on the Budget for this year, an outstanding fact which has to be borne in mind by everyone concerned in the welfare of this country is the grave warning issued by the Prime Minister a few weeks ago. He declared in a broadcast speech that though a British victory was certain as the final outcome of this war, one must be prepared to see during the current year Nazi legions near the gateway of India.

I believe, Sir, that the extremely heavy defence Budget announced last week is an indication that the authorities have taken fully into account the gravity of the international situation as disclosed in this statement by the Prime Minister.

The total expenditure on the Defence Services, both effective and non-effective in 1939-40 was estimated at Rs. 45 crores. This 12 Noon. increased to about Rs. 50 crores by the end of the year. The revised estimate for 1940-41 is Rs. 72 crores, or an increase of Rs. 27 crores on the pre-war budget; and the budget estimate for 1941-42 is Rs. 84 crores, or an increase of Rs. 39 crores over the pre-war figures. The excess in these years will thus amount to more than Rs. 70 crores, and even this huge figure may be further increased during the course of this year. Apart from the valuable assistance India is giving in regard to supplies of all kinds to His Majesty's Government, the burden on India must be measured by this amount of Rs. 70 crores.

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Sir, to finance this expenditure, new taxation, estimated to bring in Rs. 11.8 crores was imposed in the Budget for 1940-41; this was supplemented by further taxation in the middle of the year, amounting to Rs. 6 crores. Out of this total additional taxation of Rs. 17.8 crores imposed last year, I estimate that more than Rs. 14 crores was realized during the year, as some of the new measures were in operation for only part of the year. To this increase of Rs. 17.8 crores of new taxation which will be fully effective in the coming year, we have a further addition of Rs. 6.6 crores, making a total of Rs. 24.4 crores. If we take the realized amount of additional taxation of last year at Rs. 14 crores, and the full effect of all the war taxes in the coming year at Rs. 24.4 crores, we find that more than Rs. 38 crores will be raised by new taxation from the people in two years to finance the war burden of Rs. 70 crores, the remaining coming out of loans. I shall be glad if these figures are corrected by the Government. I am sure, Sir, that even if there be small changes in detail the main features of the entire position will not be altered.

Sir, I have no wish to be critical at this juncture of the proposals placed before this House by the spokesman of the Finance Department last week. But I earnestly hope that I will not be misunderstood in repeating the remark I had made in the course of my speech on the Finance Bill in November last, namely, that the taxpayer should have an assurance that he gets full value for the money collected from him for the defence of the country. Sir, the Honourable the Supply Member earned the gratitude of the House by announcing in November last the formation of a special Committee consisting of elected Members drawn from both Houses to scrutinize the expenditure of the Supply Department. I venture to suggest, Sir, to the new Commander-in-Chief, whose first speech in this House the other day gave so much cause for satisfaction that he too should follow the example of the Honourable the Supply Member and set up a similar Committee to scrutinize all defence expenditure. Nothing, I venture to submit, will infuse so much confidence into the public that there is no extravagance or waste as such a step on the part of His Excellency the Commander-in-Chief.

Two other suggestions I would respectfully commend to the attention of His Excellency. I am confident, Sir, that I am voicing the opinion of a large section, not only in this House but outside, in saying that the suspension of the work of the Army Indianization Committee soon after the commencement of the war created widespread disappointment. We were all gratified when the Defence Secretary declared in the other House that the distinction between martial and non-martial races is no longer operative. Everyone will support the efforts of the Defence Department to secure the best material, whether for the Army, the Navy, or the Air Force. No one, I am sure, wants to see the defence forces recruited predominantly from any one community or any one province. Sir, I would go further and say that in a grave emergency like the present one, all distinctions, including that between British India and the States, should be dropped. His Excellency the Viceroy, in his offer to expand the Executive Council, made in August last year, had suggested the creation of a War Advisory Council, representative both of British India and of Indian States.

Sir, we all deeply regret the tragic fact that so far no political settlement has been reached, so that India as a whole could devote her entire attention to the active prosecution of the war. Speaking as a businessman, Sir, I cannot but deplore the tendency on the part of the major political parties in this

country to concentrate on party cries and slogans which cannot lead to a harmonious solution of the complex political problems of this country. Sir, if I may be permitted to make the remark, this is not the time for raising the cry of independence or of Pakistan. What the country needs is peaceful, internal adjustment, so that we may have a Government at the centre and in the provinces representative of the people and determined to play a worthy and noble part in the world fight for freedom and democracy. I only hope, Sir, that His Excellency the Viceroy, who has already given many proofs of his interest in the abiding welfare of this country, will not be deterred by the failure of political parties in this country to come together in a spirit of mutual accommodation. This is not a time when either the Government or the people should lose heart and despair of a solution.

But, Sir, whenever a political settlement may come, sooner I hope rather than later, the establishment of a War Advisory Council should not be delayed any further. There must be set up without any delay a Council which would command the confidence of the Princes and the people of India to co-operate with His Excellency the Commander-in-Chief and the Defence Department in all measures which have a direct or even indirect bearing on the prosecution of the war.

After these general remarks, I will now proceed to make a few comments on the budget proposals placed before this House.

Sir, what is disquieting about the Finance Member's statement is the frequency with which he imposes new burdens on industry even before it has had time to recover from his previous impositions. The excess profits tax was levied at 50 per cent. only three months ago. And yet he has now come forward with the decision to raise it to 66 $\frac{2}{3}$ per cent. No doubt, we shall be told that the industrialists in this country are more fortunate than in Britain where the entire proceeds of excess profits tax are taken by the Government. Conditions, Sir, are very different in the two countries; and there can be no fair comparison between the capacity of British industry well developed over a period of centuries and industry in this country, a great deal of which is new and cannot therefore bear the same shocks. But, Sir, even in Britain, the Government is now actively considering a proposal to set aside half the proceeds of excess profits tax, not for the purpose of meeting war expenditure, but as a reserve fund to assist the various industries in changing over to peace conditions at the end of the war. It was stated recently that this proposal arose from complaints from industrialists that a levy of a hundred per cent. of excess profits tax would not allow them to make any provision for this essential purpose. I put it to the Honourable the Finance Member whether Indian industrialists, even though they may be paying only 66 $\frac{2}{3}$ per cent., are not in an even more helpless position. It is, I maintain, the duty of the Government to take every possible step to see that industry can without suffering damage bear such heavy taxation.

Sir, during the last war, the Government of India of that time saw the necessity for appointing an Industrial Commission under the Chairmanship of Sir Thomas Holland. That Commission made a comprehensive report, though it deliberately ruled out from the scope of its inquiry the question of fiscal policy. I put it to the Government today whether something should not be done at once to review the entire industrial position in this country, both as regards industries which are already in existence and those which it would pay the country to start under war conditions. Men like Dr. John Matthai, President of more than one Tariff Board and for many years the Director General of Commercial Intelligence with the Government of India, have

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advocated a complete overhaul of our protective policy. Dr. Matthai pointed out in a recent statement that the conditions laid down by the Fiscal Commission almost two decades ago for discriminating protection being granted to an industry are too stringent and somewhat difficult to work. Speaking from personal experience, he suggested that for the purpose of speedier work there should be a Tariff Commissioner, who, for more important or more elaborate inquiries, should be assisted by two colleagues, co-opted for the purpose.

Whether the Government of India find this suggestion the most effective for the purpose in view or not, the point I wish to make, Sir, is that there should be a thorough-going review of our fiscal policy inaugurated under very different conditions in 1923. I would, therefore, earnestly commend to the notice of the Government of India for their acceptance the appointment of an Industrial Commission which would also review the working of our fiscal policy.

Sir, if I had the time, I could have gone into the details of the needs of industries like chemicals and those connected with heavy engineering and electrical works, not to mention aircraft, ship-building and motor car manufacture. All these are bound to play a most important part in the future development of our industrial organization. It is satisfactory to note from the speech of the Honourable the Finance Member that the number of items of medical stores imported into India has dropped considerably and that many items which were imported until recently are either now manufactured in India or substitutes are being found for them in this country. Sir, if I am not going out of my way, I would like to suggest that there should be an inquiry into patent drugs originating from enemy countries with a view to starting the manufacture of such drugs in this country. The war gives this country a unique opportunity which I consider should not be lost.

Sir, this brings me naturally on to an aspect of the work of the Eastern Group Council which has just commenced its work in Delhi. Some of the Dominions also will be represented on this Council. This House is under a handicap in referring to the work of the Supply Council, because no authoritative statement has yet been made to indicate the scope and nature of its activities. But, Sir, it would be relevant to point out the attitude of the Dominions in this matter. When Canada was told at the commencement of the war that she should produce only those articles for which she has natural facilities, in other words that she should concentrate on fewer materials but produce these in larger quantities, she insisted on a self-sufficient and well-rounded military establishment. The result, Sir, is that Canada produces today practically everything she requires—warships, ordinary ships, motor trucks, cars, tanks, air-frames and explosives. I believe that nearly three-fourths of the new factories in Canada are on British account. Both Canada and Australia control their foreign exchange and shipping, in order to give effect to this policy of self-sufficiency. Australia has obtained Britain's consent for using up all her dollar resources in a manner most useful for her internal development. Sir, the contrast between the position of the two Dominions that I have mentioned and India is too obvious to need further comment. In regard to the surcharge on income-tax, I consider it unfortunate, particularly from the point of view of those whose income is in the lower grades and those who have fixed incomes. These persons are already hit by higher prices to some extent; they also contribute to the enhanced indirect taxes on sugar, petrol, railway rates, postal rates, matches, and so on; in

addition to these, they are now asked to pay the high figure of 33 1/3 per cent. as a surcharge on their existing income-tax. From the point of view of the total burden of taxes, if an inquiry were made, it will be found that the middle classes and persons with fixed incomes of moderate dimensions are treated more severely than other sections of the people.

Regarding matches, prices have already gone up partly because the stocks have gone low. The sudden and further increase in the price of this article of common necessity will be, I fear, a great hardship for everybody. In my opinion, Sir, the increase in prices will be so great that there will be a reaction on the match industry, because consumption is likely to go down.

So far as the new duty on tyres and tubes is concerned, at first sight it may appear to fall only on the well-to-do. But this is not the whole truth. Motor transport has been taxed heavily, both by the Central and Provincial Governments, and this further addition to it may prove more burdensome than the Honourable the Finance Member appears to think. In a vast country like ours, where railway facilities are so inadequate, motor transport should be encouraged in all possible ways, instead of being taxed in this way. I cannot help remarking that the outlook of the authorities on this question is short-sighted and requires urgent revision.

Sir, the import duty on artificial silk yarn and thread is also treated as a small measure, along with the duty on tyres and tubes. It may be small in comparison to other and heavy taxes. But it has a great significance from another point of view. The artificial silk industry is an infant industry in the country. It meets with severe competition from imported goods chiefly Japanese. The new duty will increase the cost of production of this industry which is dependent on imported yarn and thread. I am not able to understand why the Honourable the Finance Member has overlooked this obvious difficulty which will be created by his proposal. Why has this new industry been selected for this sacrifice? The Government of India is loud in its professions to help industries in this country. I am surprised that the Government should inflict such an unwarranted blow on a new industry given in this way in the name of war effort. I do appeal to the Honourable Member to reconsider his decision and drop a proposal, which, after all, will add only a few lakhs to his revenues, but may deal a heavy blow to such a small newly started industry and to handloom weavers spread all over the country and earning a precarious livelihood.

Sir, I listened to the criticisms of this proposal and to the reply of the Honourable the Finance Member in the other House yesterday in justification of his proposed duty. Sir, the Honourable Member seems to have overlooked the circumstances under which art silk cloth has been growing in popularity in this country. In times of comparative prosperity a large number of even poor people were in the habit of purchasing silk for occasions like marriages and religious festivals. But with the fall in commodity prices and the consequent reduction of the purchasing power in the masses on the one hand, and increase in the general cost of living on account of taxation and enhancement of railway freight on the other, art silk, being cheaper, took the place of genuine silk particularly during the last five years. As a result of this demand for art silk cloth, textile mills have been using silk yarn to a certain extent and handloom weavers have been producing art silk cloth. Thousands of handloom weavers have thus found work and a means of livelihood in several parts of India. There are today at least 6,000 looms in the country producing art silk cloth and at least 25,000 families are earning a living from this new industry. Now, Sir, with the two annas extra duty I calculate that the handloom worker who consumes on an average one and a half to two lbs. of yarn

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will sacrifice three to four annas a day out of his earnings. I may point out that this industry is not competing with the cotton textile industry because the price of cotton yarn is between four to seven annas a lb. whereas art silk yarn prices range between fourteen annas and two rupees a lb. The Honourable the Finance Member's imposition of an extra duty without a corresponding duty on imported art silk cloth is therefore likely to kill this new industry in its infancy and throw thousands of poor hand-loom weavers out of employment.

THE HONOURABLE SIR JEREMY RAISMAN: Why don't you mention the existing rate of duty on the imports of art silk fabrics?

THE HONOURABLE MR. SHANTIDAS ASKURAN: That is the reason why this industry has come into being.

THE HONOURABLE SIR JEREMY RAISMAN: Why don't you mention such an important fact?

THE HONOURABLE MR. SHANTIDAS ASKURAN: It is a well known fact, Sir.

There is also the possibility, perhaps I should say the certainty, of this industry being transferred to the Indian States, especially the maritime States. Should such a transfer take place, the Honourable the Finance Member instead of increasing his revenue by Rs. 35 lakhs will lose in course of time the customs duty and the income-tax; because it may be more economical to transfer the machinery which is light and cheap to a neighbouring State. I do not believe, Sir, that the Honourable the Finance Member will do anything to prevent such a transfer to the States from taking place, since the Princes are at present throwing their energies and resources wholeheartedly into the prosecution of the war. Therefore, I feel bound to warn the Honourable the Finance Member that the effect of this duty may ultimately be to drive a new industry into the States, without bringing any benefit to the revenues of the Central Government.

There is another aspect of the Budget speech which merits a reference. The Honourable the Finance Member has indicated that the uncovered deficit this year will Rs. 1,385 lakhs. There is one consolation for some of us who urged him last year that war expenditure being abnormal, it would be right for him to resort to borrowing to meet at least a portion of such expenditure. I am glad, Sir, that he has seen the wisdom of adopting such a course this year. At the same time, there is a disquieting suggestion in his speech that heavy as defence expenditure is, more than Rs. 84 crores, there may be unforeseeable items cropping up in the course of the year. Remembering a similar warning he gave us a year ago and the fact that in November he came forward with fresh proposals for taxation, one cannot help fearing that he may come to us twice a year for so long as the war lasts. I would beg him to realize that it would be better for industry and the country's economic life generally, that he should reveal the whole truth in the normal budget session and not in stages. There is a reference in his speech to the possibility of reducing the deficit as a result of modifications in the Indo-Burma trade agreement. Sir, I must warn him in advance that if he implies thereby that he will impose a duty on the goods that Burma sends to this country he must at any rate leave rice out of account. Burma rice is the staple article of food

for the poorest classes in India. This year we have a shortage of the rice crop in Bengal. Prices, as the Honourable the Finance Member is aware, have already begun to go up because of shipping difficulties. If, in addition, there should be a duty on the imports of Burma rice the Finance Member will be taxing the food of the poorest classes in India at a time when they can least afford to bear the burden.

Sir, I make no apology for making this appeal to the Honourable the Finance Member. I have already referred, in an earlier part of my speech, to the measures that are being contemplated by the British Government for comprehensive planning, not only of industrial reconstruction after the war, but also of agriculture. Let the Government here similarly prove that they too are taking a long view of things. Incredibly large sums of money are, of course, wanted for the prosecution of the war. But the collection of the revenue is not the only business of a modern Government. In making these heavy demands upon the people of the country, let the Government come forward with well considered plans for industrial co-ordination and planning. Sir, the Honourable Member in charge of Commerce and Industry has been trying to do his best to assist Indian industries, but he bears at present far too heavy a burden on his shoulders. Industrial co-ordination and planning should receive his full and undisturbed attention so that at the end of the war an era of reconstruction may be ushered which will mean prosperity for all classes of people.

THE HONOURABLE MAHARAJADHIRAJA SIR KAMESHAR SINGH OF DARBHANGA (Bihar : Non-Muhammadan) : Mr. President, more than once I have made it clear what my attitude is towards war measures, and I shall be doing so once again when I say that I consider no sacrifice too great for vindicating the honour of my King and Country. The present war is a deadly struggle between diametrically opposite forces for having the upper hand to shape the future of mankind. It is going to decide whether civilization or barbarism, whether the idea of free growth of nations or that of racial domination, whether humanity or brute force is to predominate in the world to come. I have no doubt whatsoever that the cause championed by the British Empire will ultimately triumph but at the same time I am convinced that the struggle will be a long one and it will put every man and woman of the present generation to the severest test. I am sure that, generally speaking, the whole of India wishes that Britain may win the war and feels more or less confident that she will win the war. Had it not been so, there would not have been so much agitation about the status of this country, so many claims and counter-claims to the position and privileges of this community and that and so much fuss about the conditions on which this section or that will join in war efforts. All these presuppose that it will be Britain with whom India shall have ultimately to settle her accounts and the hour of her need is the best time to strike the bargain. This is my reading of the situation and I shall be lacking in candour if I do not say with due respect that to me and to the people of my way of thinking the methods employed by parties that dominate in the political field today are highly improper. Issues much larger than those put forward by the leaders of these political parties demand immediate solution by the world. They are of these political parties demand immediate solution by the world. They are talking of definition of their rights in a property when the property itself is in the danger of being snatched away from one who claims to hold it on trust. They are disputing the rights of the trustee when an outsider claims by the right of his might the absolute ownership of the trust property. They are arguing about unfulfilled promises when the question is whether they will remain in a condition to have what they have got. In my opinion they should have kept

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these considerations aside till the world becomes free from the Nazi, the Fasist and I hope also the Bolshevist menace for Britain needs our fullest support in putting an end to them and our non-co-operation at this juncture amounts to our helping those whose defeat we earnestly desire—nay, whose defeat some of us have taken for granted. So far, therefore, as the present war is concerned, our duty is clear and that is to forget our differences with the British Government for the time being and stand by it loyally and steadfastly, as other units of the British Empire have done, in the life and death struggle that is shaking the world.

Unimaginativeness of Government.—Sir, but I can not help thinking that the Government has failed to produce the war atmosphere. It is true that taxation is mounting up and donations to War Funds are coming in but there is a lack of that feeling of making the cause one's own which is so very essential for the success of a struggle such as this. The non-officials who finance the war do not count at all. They have no position or status. As a result of this attitude people in general do not realize that it is their own battle that they are fighting. There is a feeling of distrust, and I am afraid it is growing. The officials feel that every thing is done by them and it will be dangerous to transfer any real responsibility to the non-officials irrespective of their attitude towards the war. The political parties, we know, have made no secret of their intentions. They are in a bargaining spirit and I do not minimize the difficulties of Government in striking a bargain at a time like this. But there are other people who have pledged their unconditional support to Government in their war efforts and I wonder why they are treated with such cold neglect. The question of expansion of Viceroy's Executive Council and the constitution of the War Board was shelved on account of the failure of the Congress and the Muslim League Parties to come to a working arrangement. After all, there are quite a number of eminent men in India not belonging to these political parties who can render valuable services and guide the affairs of their country during these troublesome times and yet they are not considered fit even to be consulted. They are not allowed to share the responsibilities for the defence of their country. They are expected to put forth money, men and resources but are denied any voice in the utilization of it. It looks that there is no other element in India in the eyes of the powers that be except the Congress and the Muslim League and when there is no harmony in them British element alone can replace them. If such a policy is going to be pursued my apprehension is that even most of those who consider it to be a patriotic act to help Britain to win the war will lose all interest. What interest can they have in the matter when they get the idea that those whom they support can only humiliate them? I hope, however, that Government will not commit the blunder of alienating the sympathy and support of those who are standing by it even at the risk of being misunderstood, and act in such a manner as may give the impression that friendship is reciprocated, support is appreciated and the collaborators in this hazardous enterprise have free and equal status. It is true that War Committees have been formed throughout India and they are doing good work. But the scope of their activities is so limited, the nature of their work is so one-sided, and the prospect before them is so hazy that one would really marvel at what they have been able to do.

What message has the Secretary of State or His Excellency the Viceroy given to the 400 million people of this country except that they are naughty children and unless they cease quarrelling they cannot have any place in the household? Is that the way to ward off aggression? This simply shows mutual distrust and unless there is the feeling that the home is theirs and shall

be theirs if they drive out the aggressor how can they be expected to take any interest in protecting it? The Prime Minister unhappily has chosen to be discreetly silent about us. We are left to guess things for ourselves and I think that it is the deep-rooted traditional loyalty of Indians to the Throne and person of the King Emperor that alone is responsible for the response this country has given.

Sir, if the Governments both in England and in this country would have been practical and imaginative Hitler would never have dared to cause the catastrophe. The period between 1918 and 1938 was wasted. So far as India was concerned distrust between the Britishers and the Indians continued, disunion between various elements in Indian life was fostered by the Government of India Act of 1935 and numerous barriers were put in the way of her progress towards self-sufficiency. Even when the war is on, it is surprising that offers of help are sometimes refused and acts are done by which people are led to think that India is deliberately prevented from occupying the position of equality with other countries. While sinews of war are provided by non-official India it is the official India and that too predominantly of the British variety which decides as to how they should be utilized. When at a time like this the level of taxation is steadily rising and utmost economy should have been effected in administration, extravagances are clearly visible and the criticisms of the representatives of the taxpayers do not seem to have any effect on Government.

The new world order.—We are told of a new world order! What is that world order going to be? What will be the position of those who are helping Britain to win the war in that world order? It has been demonstrated that the order which emerged out of a world war in 1918 was disorder of the worst type. Forces were let loose on earth which delighted in the destruction of all those ideals for which people used to lay down their lives in the past. New ideals sprung up but equipments to defend those ideals were wanting. Human weaknesses manifested themselves. The remedies prescribed were worse than the disease. The institutions that arose on the ashes of the old were of much inferior kind and the result has been the devil's dance which we witness today. The question that we have to ask today is whether all this suffering and sacrifice will give us the wisdom to see things in their true perspective and the strength to act with courage and determination for a lasting peace and prosperity, or they will all go in vain. As we are primarily concerned with our own country, I crave the indulgence of the House to permit me to recapitulate some of the events that the history of our country has recorded and discuss this important question in the light of such events.

There have been three main conquerors of the territory called today by the name of India. They were the Aryans who held sway for thousands of years—we do not know yet whether their predecessors were conquerors or original settlers—the Muhammadans, who ruled a large part of the country for nearly 800 years and the British, who in one shape or the other are guiding our political destiny for over a century and a half. The difference between the extent of the conquests of these three varieties of conquerors has been that the first was able to fulfil its mission, the second tried but failed and the third has found conquest by the first too complex to meddle with it in a direct manner. Long subjection of political nature has weakened the vitality of the body brought into being by the most successful of these conquerors; but the spirit still pervades the land and their mission has the same appeal to the hearts of mankind as it had when it was taken up. Diverse religious dogmas and practices, clash of cultural peculiarities, social vagaries and political accidents do not touch the fringe of the mighty achievements of these redoubtable conquerors.

[Sir Kameshwar Singh.]

If we have not today the power of assimilation and the energy for evolution it is simply due to the fact that our long political subjection makes it difficult for us to develop in the line which is most congenial to us. When the Muhammadan conquerors came they found that they could not rule India without the co-operation of the people of this country and the vast majority of them were Hindus. Campaign of conversion and policy of preference to Muhammadans did not show quick results. Reaction was very great. When the Hindus were given positions of trust and honour and attempt was made for the natural fusion of culture the Muhammadan power was at its zenith. It declined with the reversion of the policy and the country knew no peace till by her historic Proclamation Her late Imperial Majesty Queen Victoria of blessed memory assured the people of this country that Her Majesty's subjects, of whatever race or creed they may be, will be freely and impartially admitted to offices in Her Majesty's service the duties of which they may be qualified by their education, ability and integrity, duly to discharge. In the same Proclamation the great Queen assured the Indians that they would be treated in the same way as other subjects of Her Majesty were treated and perfect neutrality will be maintained in religious matters. The gracious message of Her Majesty did its work. It allayed the highly strong feelings of the Indian people at that time. In the reigns that followed attempts were made towards the fusion of Eastern and Western culture by peaceful means. But time has shown that those responsible for carrying out her instructions have, while paying lip homage to them and willy nilly succumbing to the pressure of public opinion, tried to kill the spirit in which the message was given. The present unrest and desperation on the part of the Indian public men are due to the narrow-mindedness of those who have shaped the trend of British administration in India and I have already said they never understood India. The system of their administration is too mechanical to allow them to know the country and its people. And yet, they have all along thought that they know much more about Indians than Indians themselves and had it not been for them we would have been worse than savages and the country would have known nothing but anarchy. It is true that when they established a hold on this country, this country was engaged in internecine warfare. The weakening of the central political authority was the chief cause of that state of affairs. But which country with the size and population of India has been immune from occasional upheavals of that kind? It is true that with tact, diplomacy, ability, character and good luck the servants of the East India Company managed to establish Indo-British relationship which if fostered in the right spirit would have and can even now produce marvellous results; but is equally true that by their lack of imagination, lack of trust and false notion about Indians the British administrators from the very beginning poisoned the fountain of a relationship which could have otherwise been very sweet.

Sir, Indians were never given free hand to evolve their own system of administration. They were made to believe partly by the western mode of thought which English education has bred in them partly by the contact which science has established between different parts of the world and partly by the domination of Western powers that the best thing to do was to faithfully copy the British system of government. But events have proved that even the Britishers are not prepared to allow India to do so. If that would not have been the case, there would have been no communal electorates, no weightages and no dictation from Whitehall. They are considered necessary because India has not moved along the path of Britain and she has problems peculiar to her own. Events have also proved that such a patched up constitutional

structure will not suit this country. It will tear her up in bits and destroy her integrity. She has to build up her constitutional structure on her own traditional foundation in accordance with her own needs. While I do not minimize the importance and utility of Indo-British connection I want it like all others in my country on the basis of free will and equality. India cannot be happy unless she is the mistress in her own household in which every child is treated with justice, fairness and love according to position, development and aptitude and given the necessary protection from molestation of any kind violent or non-violent. The British Parliament which has shaped the destiny of this country during the last century has never understood this country. It has no doubt maintained internal tranquillity to an appreciable degree but it has sapped the vitality of the country and prevented its natural growth. It is responsible for killing that unity in diversity which was the special feature of Indian life and culture. It has magnified diversity and killed the spirit which made India great. We are governed today by head and not by heart as we used to be. It is not love, it is not social duties and obligations, it is not the fear of God but it is the definition of legal rights that regulates our conduct today. We have drifted far apart from the shore with which we were familiar for such a long time and in the mid-ocean we are overtaken by a mighty storm and do not know what the future has in store for us. We shall have to lift ourselves to the higher plane of spirituality as Aryans had done to achieve the unity we desire and with that background can we evolve our political constitution by harmonizing our differences basing it on justice and security and cementing them with territorial patriotism. Although uniformity is not the essential feature of the scheme, it will necessitate well planned division of work in the service of our country so that every man and woman of this land without being divested of his or her possessions may develop without any hinderance and fully contribute according to his or her ability to the well being and progress of India.

I wish to see the day when the Britishers will be no longer distrusted or accused of breaking their pledges, when imperialism will be the symbol of the system of collective security and not taken to be a system of exploitation, when the ultimate aim of democracy will not be dictatorship but real freedom and security and when India will in a real sense be a free and equal partner in the Empire of the Commonwealth of Nations.

It is due to the hope of the fulfilment of this wish and the sense of duty towards our beloved Sovereign that I grudge no sacrifice and my support to the taxation measures should be considered purely in this light.

THE HONOURABLE MR. J. H. S. RICHARDSON (Bengal Chamber of Commerce): Sir, I do not wish to take up the time of the House with a long speech dealing with various details of the Budget many of which have already been discussed by previous speakers. There are, however, one or two points which I wish to bring forward but before doing so, I would like to express my general approval of the Budget subject to the remark that since the same sources of revenue are being further taxed, it is obvious that the time is approaching when serious consideration will have to be given to raising further sums which will undoubtedly be necessary by other means and especially by broadening the basis.

Sir, my Honourable friend Mr. Shantidas Askuran referred to the fact that the Honourable the Finance Member has presented us with two budgets in the last year and he advocated that the Finance Member should disclose the whole position in one go. Well, my Honourable friend is evidently one of those persons who is able to take his strong medicine in large doses. Personally

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I prefer the Finance Member's method of administering his medicine to us in small doses as it becomes necessary from time to time.

I have nothing to say against the increase in the excess profits tax since I accepted the main principles of the Bill when it was passed and I believed that certain clauses in the Bill very fully provided for those cases requiring special consideration if hardship is to be avoided. It is perhaps regrettable that the delay in the excess profits tax assessments to which I shall again refer later, has prevented commerce and industry having actual experience of the working of the Act and in particular actual knowledge of how such hardship cases are to be treated. In the absence of such experience naturally it is not possible for any criticisms or suggestions to be made at this stage; but I should like to say that according to the information given to me, in the various discussions which business interests have had with Mr. Ayres it is evident that he has been most helpful and friendly, and industry is grateful to him for the trouble he has taken in explaining the various points and for the attitude which he has, I understand, instructed his department to take up on them.

On the question of the degree of the tax, whilst as I have said it has my approval, I think that if and when any further increase is contemplated all the factors should be very carefully taken into consideration. My Honourable friend Sir A. P. Patro just now said that we were very lucky that the tax was not higher than 66 2/3 per cent. Well, whilst even 100 per cent. excess profits tax might be alluring in so far as its prospective return is concerned, I am sure it will be appreciated that such high taxation brings with it an incentive in certain quarters and circumstances to excessive expenditure which may eventuate in post-war difficulties and other problems. I therefore say that these and other factors should be borne in mind and it is a question whether the limit has not now been reached in respect of this tax.

I would like to refer to the Honourable Finance Member's remarks made in his Budget speech regarding the very slow progress in the excess profits tax work due to the assessment proceedings bristling with practical difficulties owing to the complexity of the computations. He also stated that the extent of the preliminary work had proved even greater than had been expected, which had resulted in returns from assesses not being due before the end of November.

Sir, a year ago in this House I endeavoured to draw attention to those very difficulties which business interests foresaw, and in asking for the assurance that additional and expert staff would be posted to the Department which would have to operate the Act. I stated that the delay and inconvenience which would otherwise ensue could well be imagined, if that was not done.

In his reply last year the Honourable the Finance Member promised to do his best to secure that the machinery which was set up for the administration of the Excess Profits Tax Act was satisfactory and efficient and that it did not reduce the efficiency of the existing machinery for the collection of income-tax within the limitations which faced him.

Sir, in view of the present position, as has been described by the Finance Member himself in that portion of his Budget speech to which I have already referred, I am afraid that neither he nor business interests have any reason today to feel very happy at the arrangements which have been made, and consequently I desire once again to stress the necessity for adequate staff coupled with some investigation into other factors which contribute to the delay in making assessments, not only in regard to excess profits tax but also in regard to income-tax assessments; and it is not only to lighten the burden

which at present falls on the shoulders of depleted staff in commercial offices for which I make this plea. It is equally in the interests of the Income-tax Department itself, since the very fact that recently they requested several companies whose assessments were not completed to make advance payments on account of income and excess profits taxes shows that all is not well behind the scenes.

THE HONOURABLE SIR JEREMY RAISMAN: That is the common practice in the United Kingdom.

THE HONOURABLE MR. J. H. S. RICHARDSON: It may be the common practice, and I do not deny that it is possibly necessary; but the fact remains that there is something that makes that necessary here, whereas previously it was not necessary. Anyway, Sir, the Honourable Member has, as I have already stated, stressed the practical difficulties which it is obvious are being keenly felt within the Department itself. He has not however made any references to the repercussions of these difficulties on commerce and industry itself. Companies are, I know, only too willing to meet the desire of the Central Board of Revenue to make advance payments on account of taxation; but, whilst they are willing to assist in this and any other manner possible, it is only fair and reasonable that the difficulties which are being experienced on their side should be brought to light and that the Central Board of Revenue should give careful consideration to these matters and take urgent steps to effect some improvement. Besides the heavy work often entailed by the present system, the result of delay in completing the assessment of a company involves intricate and complicated calculations in order to make the necessary provision for taxation in subsequent balance, sheets, and this at a time when staffs are seriously depleted owing to members having joined up for military service. The taxation departments of most large offices have now to deal with an ever-increasing number of matters; for instance, my own office in Calcutta has at least ten different tax returns to prepare—Indian income-tax and super-tax, Indian excess profits tax, United Kingdom income-tax, United Kingdom excess profits tax, Ceylon income-tax, Burma income-tax, Bihar agricultural income-tax, Assam agricultural income-tax, Indian States income-taxes, the Bengal employment and professions tax.

THE HONOURABLE SIR JEREMY RAISMAN: You should not have income in so many places.

THE HONOURABLE MR. J. H. S. RICHARDSON: May be, Sir, but it is a fact that these things have to be dealt with; and I may also mention that of these all except three involve claims for double taxation reliefs.

Sir, when dealing with the defence services in his Budget speech the Honourable the Finance Member remarked that it was impossible to exaggerate the importance of adequate training establishments in an expansion of the scale of that which was now being carried out. From what I have said it is I think equally obvious that this remark is applicable to several departments of Government today, not the least of which is the Income-tax Department itself. I am aware it is not easy to obtain expert staffs at short notice, but I would like to know what is being done in regard to the training of the necessary personnel who will be required to deal with the inevitably increased taxation which will follow as the war proceeds. I would also like to know what it is proposed to do to speed up the work under the present circumstances? In this connection the shorter hours of work in Government offices are often unfavourably compared with those of commercial

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establishments; and this is but one of several ways in which I suggest there are possibilities for at least doing something towards accelerating the work in the absence of the necessary staff.

Sir, I do not wish unduly to labour this point; neither do I wish by my repeated references to appear as casting any reflection or harbouring any grievance against the department, as this is not so. I hope the Honourable the Finance Member will believe me when I say that I know the difficulties and concern which I have voiced have justifiable ground and that in these days when we are all heavily over-worked with depleted staffs it is absolutely essential that as far as possible peace-time regulations should be set aside in the interests of all concerned, not the least of which is the avoidance of impeding our mutual war efforts.

(At this stage the Honourable the President vacated the Chair, which was taken by Sir David Devadoss.)

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan): Sir, it is a matter of serious concern for all of us to find an enormous increase in the Budget which the Honourable the Finance

1 P. M. Member estimates this year that the expenditure has gone up to Rs. 84 crores from Rs. 45 crores figures an unprecedented level of expenditure should be only partially met by taxation from the people. I, however, hold that all the non-recurring charges should be met as far as possible by loans as the Indians cannot bear such a big burden. We cannot compare ourselves with Britain where the average income per person is about Rs. 1,800 a year. In India the yearly income is about only Rs. 80. It is evident therefore that the Indian masses, whose income as I have already stated is about Rs. 80 per head per year cannot compare with those persons whose average income ranges from Rs. 1,600 to Rs. 1,800 a year. Sir, the unprecedented expenditure of Rs. 84 crores can be allowed to be met by additional taxation measures. We all wish that the war should be won and we are prepared to make sacrifices for it, but there is a limit to that sacrifice and I must say that one must cry halt in the matter of the additional taxation. Sir, the increase in super-tax and increase in excess profits tax was seriously considered by the Indian Chambers of Commerce and they came to the conclusion that this high taxation will be detrimental to the growth of industry, because after the war is over there would be no reserves left with the industrial concerns to stand the slump. Even in Great Britain the Government have provided for making up of these reserves for industry. What do we find here in India, Sir? Certain small industries which developed during the last war—practically most of them—went into liquidation after the war was over owing to slump and owing to there being no demand from Government for articles which they produce. The imposition of excess profits tax on industries has not been considered in the same light in India as it has been considered in Britain. Therefore I respectfully request the Finance Member to reconsider his decision. Certain industries, for instance, the cotton textile industry, have been suffering for the last many years from the keen competition of other countries and particularly from Japan. Perhaps the intention of the Indian Government was to please Japan anyhow, but from the press we find that Japan is feeling ungrateful for the concessions which the Indian Government did give to that country in the way of import and other duties. The sooner this is put right the better.

Then, I come to the question of the public demand for the establishment of an Advisory Defence Council. It is now evident and it needs no further explanation from me that the Indian public does require that its chosen representatives

and its established leaders should have a voice in the expenditure on Defence services. More the taxation, more the representation. That is the British motto and I hope that the Government will always bear that motto in mind. We do not grudge taxation up to the limit that we can stand. But when we are prepared to make sacrifices it behoves the Government to consult the leaders of public opinion and the Members of the Central Legislature in the matter of Defence expenditure. As far as the Defence services are concerned, we still find racial discrimination as far as the salaries and allowances of the superior Defence services are concerned. People have been crying that Indian officers have to incur more expenditure than European officers; they have to entertain Europeans as well as Indians and I have always been impressed by the fact that Indians have more obligations to meet than Europeans. They have to support their near and distant relations. They have to give them presents in cash and kind at certain festivals every year which the Europeans have not. My own information is that as far as family matters are concerned the European only recognizes the relation of the wife and children and beyond that matter of support begins to diminish. Sir, I want contentment in the service and particularly in the Defence service contentment is of paramount importance. British officers of the same rank and service drawing better scales of pay and better allowance than Indian officers is certainly a matter of discontent to Indian officers who work side by side with them carrying same responsibilities. I myself advocate giving British overseas allowance because they come and live in a country which does not suit their convenience. That I admit, but as far as other allowances and scale of salaries are concerned, they must be the same and there must be no racial discrimination. I am very glad and thankful to the Government for having removed the segregation of Indians from Britishers by abolition of Indianized units. That policy Indians very much resented because of the remark of a certain official of the British Government assuring his cadets for the army that Britishers would never be commanded by blackies. I take that statement, Sir, from the Skeen Committee's Report. That is not a newspaper report which may or may not be trusted. I am very glad, Sir, and thankful to Government that that colour bar which Indians have been suffering from has been removed and hope that in the near future in the matter of salaries and allowances Indians holding commissions will be put on a par with Britishers excepting that Britishers should be allowed an overseas allowance. It is a matter of great satisfaction to us that army recruitment is proceeding so satisfactorily. As far as my information goes, the demand is less than the supply and people are coming forward in large numbers to offer their services for the war. I know, Sir, that this question of martial and non-martial classes has been now definitely decided. As far as I remember, the Honourable the Defence Secretary on the floor of the other House said that this distinction and this terminology of martial and non-martial was not the invention of the Government but of Indian politicians. Sir, we test these statements by the real action which the Government takes. Nowadays, Sir, it has been established, and as far as my information goes, it is the opinion of the very experienced Generals and Commanders that in these days of mechanization and modernization of army, sheer physical force is not so useful as the intellect and the brain and so there must be some change in the policy of recruitment. Nowadays horses for all the cavalries are being abandoned and replaced by mechanized transport. And the Air Force is the leading arm in warfare at the present time. Therefore, Sir, I wish that a definite policy be laid out as far as the recruitment of men with poor commonsense or with strong commonsense is concerned and that such decision be published in a communique by the Government to avoid misunderstanding. By making these remarks I am not casting any sort of reflection upon those who have served so

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well in the past. The policy of the Government in abolishing the Viceroy's commission to me was wrong because the classes who made great sacrifices for the Government for generations were with one stroke of the pen deprived of their privilege. My information is from a rumour—I hope the Honourable Mr. Williams will put me right if my information is wrong—I heard that the Government has revived Viceroy's commissions.

Another point, Sir, which I wish to touch upon is regarding the way in which military officers have been asked to resume war duty, those officers who have been lent to civil departments as well as on the railways. The employment of Defence officers in non-Defence Departments is mainly meant that in case of war they must revert to their duty in the Defence services. On the N.W.R. the apothecaries, the lent military I.M.Ds., have not been requisitioned for war. I do not know exactly why. Some people are under the impression, rightly or wrongly, that these I.M.D. officers were not considered fit in the present time to take up medical duties in the war. I understand, Sir, that, as far as the apothecaries are concerned, until they take a medical degree of L. R. C. P. or L. M. S. or a higher degree, they are not allowed to practice in Britain. But here I.M.D. with only apothecaries' qualifications are allowed to practise. I am glad that Government by this action has proved that those I.M.Ds. who do not possess sufficient higher qualifications were not selected for the war but were left to remain where they were for those unfortunate civilians whose lot was to get themselves treated by them. Exceptions prove the rule. A very small percentage of such officers may have obtained medical degrees but generally speaking Indians have little faith in the I.M.D. and I know of a case where an I.M.D. officer was appointed civil surgeon in a Punjab district, a Government official fell ill and for four months that I.M.D. doctor was not able to diagnose his disease and so he was wrongly treated. Fortunately for the patient, an I.M.S. officer relieved him on transfer and the patient was cured in a week or so.

Sir, I must congratulate the Government on giving some key posts to Indians in the Supply Department and I must say that the appointment of Indians to these key posts has now proved a great success.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Which are the key posts given by Government to Indians?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: They are the Chief Controller of Stores, the Controller General of Purchase. These are the key appointments on which for the first time Indians were appointed and they proved a great success. Through the formation and working of this new Department, i.e., both branches of the Supply Department, the Contracts Directorate and the Indian Stores Department, have made savings so far of many crores, as compared to such expenditure during the last great war by greatly reducing the margin of profit of supplies.

Then I come, Sir, to the question of civil aviation. I must congratulate Mr. Tymms and his colleagues upon the rapid development of civil aviation which has resulted in many Indians becoming air pilots and I know it as a fact that more airmen and Indian air pilots offered themselves for the war than there was a demand for. I give credit where credit is due and I hold civil aviation authorities deserve congratulations on the signal success they have achieved. As far as recruitment is concerned, few appointments of commissioned officers have been made from the U.T.Cs. The U.T.Cs. deserve more

encouragement, and therefore I request that as far as emergency and other commissions are concerned, there must be larger recruitment from the U.T.Cs.

My friend the Honourable Sir A. P. Patro observed that on the Defence Advisory Council there should be officers who had executive experience in the past. That to me sounds that the Advisory Council should consist of Government servants and ex-Government servants. I might tell the Honourable the Finance Member that that will not give satisfaction to the public. The public do not want that such Councils should consist or be dominated by Government servants and ex-Government servants.

Then I come to the observation of the Honourable the Finance Member in the other House where he said that India was benefiting by war profits. The exact words he used were that "the tide of war prosperity was ensuing". In this connection I might inform the House and the Honourable the Finance Member that the index of commodity prices which rose to above 40 per cent. of the pre-war level has now gone down to 15 per cent. Therefore, Sir, how can the Honourable the Finance Member justify his remark that the tide of war prosperity has maintained itself if it ever began?

THE HONOURABLE SIR JEREMY RAISMAN: I did not say it. I did not use the words "tide of war prosperity" in this year's Budget.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What did the Honourable the Finance Member mean by that? Does he mean that India is benefiting or not?

THE HONOURABLE SIR JEREMY RAISMAN: What I said was this. I admitted that there has been a very marked recession but I said that in some quarters it had been exaggerated and then I gave some figures to show that the level was still above the pre-war level in many respects.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Does the Honourable the Finance Member mean that the commodity index which rose 40 per cent. above the pre-war level has not fallen to 15 per cent.?

THE HONOURABLE SIR JEREMY RAISMAN: I admit that it has. But my point is that it is still above 100, taking 100 as the immediate pre-war level. That is all.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Even in what the Honourable the Finance Member now says he admits that the prices have gone down, although they have not gone down as much as they could. That shows that there is no tide of prosperity, and when we have not got it, how shall we be able to meet the slump after the war? The Honourable the Commerce Member is pushing industry by formation of the various Research Boards, i.e., the Industrial Research Boards. The Government Commerce Member is on the one hand trying to encourage industries, and on the other hand Government Finance Member is over-taxing industries in such a way that their prosperity may become a question of doubt. As far as this is concerned, I want to refer Honourable Members to the sugar industry. What is the plight of the sugar industry? How big a capital have Indians put in the sugar industry and what is their plight now? I mentioned on the floor of this very House that when I was in Java the Dutch East Indies, I was told by many Indian friends in Batavia that because the British Government wants Dutch East Indies to help them in the war in the near future they are going to give

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them concessions as far as import of sugar to India is concerned. Whether that was right or wrong, I do not know. But now events seem to have proved that there was something of the sort and that Dutch East Indies was given preference.

THE HONOURABLE SIR JEREMY RAISMAN: If the Honourable Member is suggesting that heavy imports from Java are in any way responsible for the present plight of the sugar industry, he is guilty of a gross mis-statement of fact.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: No, Sir. If I tell the Honourable the Finance Member that it was the profits of the Java sugar concerns which induced Indians to put up sugar mills—

THE HONOURABLE SIR JEREMY RAISMAN: That is quite a different matter.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, I know it is a fact. The proportion of sugar in the Java cane and Indian cane does vary as much as 50 per cent. but, thanks to the Government of India, in their Sugar Research Institute at Coimbatore, they have introduced certain improved varieties of cane that are giving much better results.

THE HONOURABLE MR. HOSSAIN IMAM: And that is why there is a reduction in the grant to the Imperial Council of Agricultural Research from the Finance Department.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: But, as against that, my Honourable friend is aware that the revenues of the Imperial Council of Agricultural Research have been raised to something like Rs. 15 lakhs by the imposition of the cess.

THE HONOURABLE MR. HOSSAIN IMAM: Self-taxation, Sir; no thanks to the Government of India and the Finance Department.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: What matters is resources and not the means of securing those resources.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I must give credit to the Agricultural Research Board for the benefit that has accrued to Indian agriculture. It is mainly their effort which has produced a better variety of cane which increased the proportion of sugar in the cane. It is their effort which has brought about better varieties of cane being grown and we should not be thankful for the good work which this Board has done to the Indian cultivator in general. But, Sir, my point is that this plight of the sugar industry will tell upon the resources of the poor cultivator. My information is—one of my friends on the Sugar Board told me—that this year's produce of sugar cane from many thousands of acres of land will be burnt, because that was the decision arrived at. I do not know if my information is right or wrong. I hope the Honourable Member for Agriculture will correct me if I am wrong. That was the information which was given to me in the United Provinces. Owing to the quota system introduced by the Sugar Board, the plight of the cultivator in certain areas was the reason for great grouse on the part of the poor cultivators.

Sir, I now come to air raid precautions. There are estimates before us, but I at least have not been able to find out what measures of protection the Defence Department are providing for. I know that the Defence Department will not be able to say openly what they have done for the various big cities

and industries. But at least we Members of Central Legislature ought to know. Sir, we are entitled to know that there are sufficient shelters and anti-aircraft guns, gas masks, etc., for protection of cities and industries and railways against enemy air raids. At present we are in the dark as to what preparations the Defence Department has made for the protection of big cities, towns and industrial areas from aerial bombing. People expect some sort of information from Government in this matter and they are getting restless. They ask us, as their representatives in the Central Legislature, to satisfy them about it. This is an important question and it affects the help that we are trying to get from citizens in the form of gifts and donations, and I hope some light will be thrown on it by the spokesman of the Defence Department to put the people's minds at rest.

Then I come to the excise on rubber tyres and tubes. Sir, owing to the import policy of the Government of India many firms from abroad did establish themselves in India. These tyre and tube concerns are as far as I can gather mainly due to American enterprise. I know they have some Indian directors and Indian capital has been invited and subscribed. The additional duty now proposed will be a great blow to these foreign industries set up in India, and if it is necessary to put an excise on the local produce I hope that an equivalent duty will be imposed on the imported tyres and tubes. The Indian companies are employing mainly Indian labour and this excise seems to me to be a great discouragement to foreign capital wishing to set up industries in this country.

My friend the Honourable Mr. Shantidas Askuran has dealt at length with increased duty on artificial silk and yarn and I need not waste the time of the Council on that subject. I hope that the Honourable the Finance Member will be good enough to reconsider his decision on this matter and see that measures are taken by which the Indian industry is not put to a loss. In the Punjab near Amritsar there are a number of artificial silk factories which are very well competing with foreign countries, but now this increase in duty will give them a setback.

Then, Sir, I turn to the repatriation of the sterling debt. This has created unrest in the Indian money market and it is feared that it will result in deflation. I also understand that in deciding this important question of policy the Government of India did not consult the Directors of the Reserve Bank.

THE HONOURABLE SIR JEREMY RAISMAN: There are obvious reasons why an operation of that kind had to be carried out in the greatest secrecy; but the fact the Honourable Member has received information on this subject gives me no assurance in considering whether consultation of that kind should take place in future.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Well, Sir, that is a matter of opinion of the Government of India, but as far as the general public is concerned, Reserve Bank ought to be allowed to play a great part in the financial policy of the Government and its Directorate ought to have been consulted. However, if the Government has decided that such consultation was not necessary, they will reconsider the matter.

Then I come to the census operations. As regards the Punjab, Sir, up till yesterday I was hearing rumours that the enumerators have not been rightly doing their duty.

THE HONOURABLE THE CHAIRMAN (the Honourable Sir David Devadoss): How is that relevant to the Budget? Unless it be in regard to the cost of the operations.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, my impression so far has been that the discussion on the General Budget is a debate on every matter possible.

THE HONOURABLE THE CHAIRMAN (the Honourable Sir David Devadoss): Well, there must be some limit to irrelevancy. If you are not going to be very long I will allow you.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Why I mentioned this subject is because at this time of war when we are asking for co-operation from all loyal subjects there should be no discontent among them. This matter is now creating discontent. I have been informed by responsible persons in the last two days that they have serious proofs to offer against the utterly inefficient action of the enumerators. I say that at this time of war there must be some authority set up to inquire into vagaries or conduct of those enumerators who have miserably failed in their duty because it is at this time only possible to check the information of the actual occupants in any given house. Once this machinery is available it will stop such mistakes and alleged intrigues behind it. All those persons who have not been counted should be allowed to send their names and details to the Census authority for inquiry and verification.

With these words I conclude my remarks and I hope that the Honourable the Finance Member, great personality as he is, will see his way to reduce the taxation and follow the policy of live and let live.

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

The Council reassembled after Lunch at Three of the Clock, the Honourable the Chairman (the Honourable Sir David Devadoss) in the Chair.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. Chairman, the Budget of this year has been overshadowed by two gigantic items, one a pleasant surprise and the other an unpleasant expectation and a great burden. The first which I characterize as a pleasant surprise is the scheme for the repatriation of our sterling debts. It is a subject on which Indians have expressed their opinion in no uncertain terms that it should be got rid of as quickly as possible. I had some personal interest in the matter too, because, as the House will remember, I have moved more Resolutions on this subject than any other Member of the two Houses. Sir, there might be differences of opinion about the final disposal of these repatriated sterling debts, but there is almost unanimity in the whole of India and I think the Finance Department deserve thanks from Indians for having taken this welcome step. It was only in the last session, on the 29th of November, that I moved a Resolution on this subject in which I had suggested that the present limit on the holding of the rupee securities of the Government of India should be enlarged. I had suggested that instead of 25 per cent. it should be increased to 33 per cent. Although the Honourable the Finance Secretary saw no theoretical objection to that, he raised the plea that it was not necessary and he had ample margin.

THE HONOURABLE MR. C. E. JONES : For the time being, Sir.

THE HONOURABLE MR. HOSSAIN IMAM : But within two months, Sir, he was convinced not only of the necessity of making that change but he went all out and he has got no restriction now on the Reserve Bank. I do not

*Not corrected by the Honourable Member.

object to it. I think he has taken the right step and in the right direction. My only fear—

THE HONOURABLE MR. C. E. JONES : On a question of fact, Sir, as has been pointed out in the Press Communique, there is still a restriction operative.

THE HONOURABLE MR. HOSSAIN IMAM : The restriction of the 40 per cent. of external assets will remain, but for 60 per cent. you are free.

Sir, I was saying that my only fear is that the syren songs of the money markets may induce him to place those sterling bonds in the shape of rupee counterparts on the market before they are required to be placed. I should like to warn him—I think he does not require any warning because the Finance Member was clear on this fact yesterday—that the placing of that amount of loan or Indian markets or even a good portion of it would have two bad effects. Firstly, it will raise the money rates which is so essential and which I know the Finance Department itself realizes ; and secondly, it will have the effect of reducing prices of primary products. Formerly, Sir, they used to be afraid of inflation, now the tables have been turned and we are afraid of deflation. While on this subject, I should like to know why the Finance Department is not bringing forward a Bill to amend the Reserve Bank of India Act and rely only on the Ordinance for this purpose. Is it the purpose of the Finance Department that within a short time they will restore the *status quo* and return back to 25 per cent. ; but if it is a long range policy it would be better if they brought forward a Bill to amend the Reserve Bank of India Act. May I suggest, Sir, that as a permanent arrangement they should consider the feasibility of replacing these loans by three kinds of bonds—5-year bonds at 2 per cent. , 10-year bonds at 2½ per cent. and 15-year bonds at 3 per cent. Of course this kind of thing cannot be suggested or decided upon without consulting the Reserve Bank authorities and here I should like to agree with the Finance Department that the previous consultation of the Reserve Bank was not essential in the temporary arrangement which they have made. Of course for the final arrangement, the Reserve Bank does come into the picture and I hope they will be consulted as to the permanent arrangements that will be made for these things. I find, Sir, an indication towards the end of the Finance Member's speech that he was attracted by the possibility of netting through the income-tax authorities a part of the interest that would be paid to the private taxpayers. But I think the Indian tax dodgers are quite competent to evade it by means of transactions in the name of those who will not be subjected to high rates of taxation. You can easily buy stock in the name of your son or brother or others. He will not be netting that amount of income-tax which he fondly believes he will net, and for these reasons, it will be better if it is held in the Reserve Bank as a Government security. Sir, in this connection I should like to ask the Finance Department to enlighten us why a head of income which used to feature in our budgets formerly has now disappeared. I refer to the profits from the Silver Redemption Fund. Nowadays it does not feature in our revenue accounts. It is found only in our capital account. Why this change in policy has been made is not quite clear to me—the reasons which induced the Department to transfer it from a revenue account to capital account.

Then, Sir, there is this policy of holding this Silver Redemption Fund in sterling. Well, formerly the obligations of the Government to the Reserve Bank were such that it was essential to have this Fund in the shape of sterling securities. But the circumstances have changed materially. Now, Sir, according to the Finance Member, in the coming year, instead of having to find

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sterling we are likely to get back from the Secretary of State Rs. 40 crores in the shape of sterling.

Then, Sir, there is another change, that we have reduced the silver content of the rupee. We have also, Sir, reduced our sterling liability. All these factors are such as would justify us in reducing our sterling reserves, and therefore I suggest to the Finance Member that he might consider the feasibility of holding the Silver Redemption Fund in Government securities and thereby get for his own Department that amount of income-tax which is now going to the British exchequer. In our sterling securities we cannot tax the people who get the interest from there. I would therefore suggest that it might be held, even if it is held in sterling, it should be held in Government of India sterling non-terminable bonds.

Sir, there is another item in which I cannot blame the Finance Department alone because part of that blame should be shared by the Standing Finance Committee as well. I refer, Sir, to the report that the Government is going to embark on the scheme of a new mint for Calcutta, on which the expenditure of a crore of rupees is expected. We are told, Sir, that we shall be able to get back about Rs. 50 lakhs from the sale of our Mint.

THE HONOURABLE SIR JEREMY RAISMAN : Not a crore. Rs. 60 lakhs is the scheme.

THE HONOURABLE MR. HOSSAIN IMAM : Sir, the estimates of the Government about their future gains have proved mostly incorrect, as will be borne out by the Member in charge of Communications. On our schemes of railway expansion we were promised 10 per cent. and 8 per cent. and then we found we would not get even 2 per cent. and the railways have been taken up. One or two of the lines which were opened after the separation convention was started. So I do not place much reliance on the prospect of getting Rs. 50 lakhs from the sale of our property. There is this thing to be said, Sir, that this is such a long-term investment that he will not be able to mint new money in his Mint till about 1943 or 1944. For this year Rs. 6 lakhs only has been sanctioned. He has budgeted for an expenditure of Rs. 6 lakhs only and that is probably for the acquisition of land and for part of the building. A 10 per cent. expenditure has been proposed in the year for which he has budgeted.

THE HONOURABLE SIR JEREMY RAISMAN : That is because the plant cannot arrive this year.

THE HONOURABLE MR. HOSSAIN IMAM : Well, Sir, if the plant cannot arrive, what is the good of embarking on it now ? What I was suggesting, Sir, is that this is an item of expenditure which can very easily be avoided and for that reason it need not be embarked on just now. And he must not lose sight of the fact that for 20 years our mints did not coin silver rupees and we were working only on bronze coins and small silver coins and the mints were at half time.

THE HONOURABLE SIR JEREMY RAISMAN : They are not at half time now.

THE HONOURABLE MR. HOSSAIN IMAM : They might not be. But this is not a permanent state of affairs. At the present moment you require the mint to coin money because you have reduced your silver content. This is a

right step. You have been tardy in taking this step. You have erred in delaying it too long. But I suggest, Sir, that even in the present premises you can install one or two additional machinery for minting if you so desire. It is not quite right that you should spend Rs. 60 lakhs which will only fructify in two years' time. And then, Sir, whenever we ask for machinery to manufacture locomotives, we are told that we cannot get the machinery. When we ask for other things, we are told that the machinery is not available. But you are planing one year ahead to get this machinery and you cannot stop it. What is the urgency ? Do you think the demand will continue till 1942-43 ? Do you forget that after 1919 you had no minting ?

THE HONOURABLE SIR JEREMY RAISMAN : Even then we shall need it.

THE HONOURABLE MR. HOSSAIN IMAM : Sir, while on the head of currency, I should like to ask a few questions from the Honourable the Finance Member. I refer, Sir, to Statement VI in the Explanatory Memorandum which still remains an unfathered child of the Finance Department. The Explanatory Memorandum of the Railway Department is fathered by the Chief Commissioner and the Financial Adviser but the Explanatory Memorandum of the Finance Department remains an orphan. I was referring, Sir, to Statement VI in which profits from circulation of bronze and nickel coins was cited. In the Explanatory Memorandum of last year, Sir, I found that the amount to be credited to Burma was different from what we are told this year. Last year we were told, Sir, that Rs. 18,98,000 would have to be paid to Burma on an estimated profit of Rs. 69,86,000. Well, this year we are told (I am speaking about the year 1940-41) that we will have to pay Rs. 14,67,000 on an estimated profit of a crore and 65 lakhs. And for the next year, when the profit is going to be Rs. 45 lakhs we will have to pay to Burma Rs. 16,12,000. Now, on what basis do you divide up ? It is not dependent on the quantum of the profit. It is dependent on the actual return from Burma made through the Reserve Bank and the actual disbursement there. Now there is no record kept as to whether the disbursements made in Burma are retained in Burma. You might give a crore of rupees worth of small coins but that may come up to this country as it is usually doing because there are so many Indians there who send remittances to India. Well, that, Sir, is not a correct basis.

THE HONOURABLE SIR JEREMY RAISMAN : I do not wish to interrupt the Honourable Member unnecessarily but I think it would save the time of the House if I pointed out that Burma's share of this kind of profit is regulated by an Order in Council and is a matter of strict mathematical calculation to be verified by the Auditor General. It is not a matter which could be the subject of impassioned debate.

THE HONOURABLE MR. HOSSAIN IMAM : I am not making an impassioned debate. I am suggesting that you might adopt an easier method of dividing up on the same principles as you are dividing up the note circulation. That is a tangible thing. Whether rightly or wrongly you have made an award of 7½ per cent. of the profits or the notes in circulation should be the basis of dividing up the profits at the end of the year. Similarly, if you could adopt a method of that nature, it would be easier. Sir, we do not find any mention of the actual payment made to Burma. I have hunted up all the accounts. But a sum which is so much liable to fluctuate ought to be mentioned somewhere. But there is no mention of the actual amount paid to Burma. So it

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is only guess work. Last year you guessed it at Rs. 18 lakhs on a profit of Rs. 69 lakhs and this year you guess it at Rs. 40 lakhs on a profit of Rs. 165 lakhs. But what are the actual facts? This I have not been able to find although I have hunted up your Audit Report of this year too. I have been unable to find it anywhere.

The Honourable the Finance Member, in paragraph 26 of his speech, has stated that for the future they are going to get a credit of only Rs. 45 lakhs from this head and the rest of the profit is to be credited to a Suspense Account. But I have hunted up Statement C and I have been unable to find a single Suspense Account in which this amount may be shown as to what estimates to be the profit from this source. We also do not know whether that Suspense Account will be the private property of the Government of India alone or whether Burma also will share in it. We are told that Burma will get such a share, but we do not know exactly what will be done with the rest, and what the rest of the amount is. Sir, this morning I put a question to the Honourable the Finance Secretary about our one rupee note. He was unable to give me a satisfactory reply. When one rupee notes were first introduced by the Government, we were told that the Government had in stock one rupee notes printed in 1935 and therefore it cost them nothing to introduce those one rupee notes. But we are now told that one rupee notes of the value of Rs. 25 crores were printed in England at the cost of Rs. 12 lakhs. We ask, Sir, when the Indian Security Printing Press is able to transact business for other Governments, why could it not print one rupee notes for ourselves?

THE HONOURABLE SIR JEREMY RAISMAN: They do.

THE HONOURABLE MR. HOSSAIN IMAM: You had Rs. 10 crores of one rupee notes, and your Statement C says—

THE HONOURABLE SIR JEREMY RAISMAN: Sir, it is unsuitable that the time of the House should be wasted with technical details based on information which is grossly incorrect. The fact is that not a single one rupee note has been printed in England since our own Currency Press was able to print. The figures which the Honourable Member mentioned relate to the cost of printing in 1935. But subsequent printing of one rupee notes has been done in our own Currency Press. But I do suggest, Sir, that these technical details are hardly suitable for a general debate of this kind.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, I was citing what I found in the Standing Finance Committee Report. The Standing Finance Committee Report, Volume II, contains on page 46 this statement which I am making. I do not know that the Finance Department has given us wrong information. You will find it in your own Report, Volume II, of 10th September, 1940. I am not in the habit of making allegations which are not substantiated by facts. For his information I may mention that there is absolutely no indication that this cost was incurred in 1935. If he suppressed this information, he has done us an injustice. He ought to have informed the Committee that this referred to 1935. I cannot understand how this expenditure, incurred in 1935, should have remained in suspense for such a long time.

THE HONOURABLE THE CHAIRMAN (The Honourable Sir David Devadoss): I think if the Honourable Member will devote more attention to the main points, he will be able to finish his speech within time.

THE HONOURABLE MR. HOSSAIN IMAM: I shall finish in my allotted time, Sir. I have a host of other things to say, but as the time allotted to me is about to expire, I would run over the important parts of my criticism.

THE HONOURABLE THE CHAIRMAN (The Honourable Sir David Devadoss): I may say that if you avoid details, you might be able to make a better speech.

THE HONOURABLE MR. HOSSAIN IMAM: I would have avoided details, but the Honourable the Finance Member questioned me and so I had to go into greater detail.

I said there were two huge items. One was the repatriation, and the second was the war expenditure. That, Sir, is an accepted policy. But although we accepted it and were prepared to allow a higher sum for defence expenditure, we cannot be willing parties to the manner in which this expenditure is being incurred. We are refused all information. Even this morning in reply to the very partial information which we asked for as to the amount contributed by His Majesty's Government in the year which ended on the 31st March, 1940, we were told that it is not in the public interest to give this information. Now, I ask, can a self-respecting man be a party to expenditure of this kind? You might be honestly carrying out—we do not doubt it—but why don't you take us into your confidence? If you are unable to give information publicly, although I do not think that there is anything which would benefit Hitler in any way by knowing whether the expenditure of His Majesty's Government was Rs. 10 crores or Rs. 100 crores—that will not help them—nevertheless even if you are not prepared to give the information publicly, what is the drawback in having a Committee of the Legislature as you have in the case of the Supply Department? Is there any special difficulty in creating an Advisory Committee of that nature? The Government ask us to co-operate. In what are we to co-operate? We are unable to know anything. We cannot be consulted. We cannot even be informed. It is only a one-sided bargain of this nature that gives Hitler and others inside and outside the country to say that the British Government is out for Imperialism and it does not contemplate ever parting with power or in any way associating Indians in the defence of India. We were told at the Round Table Conference that this will be increasingly the concern of Indians. How have you carried it out? In what manner have you associated Indians? Is it the way in which you can carry on the government? We do not ask for power. Even information is denied to us and this sort of agreement cannot go on for long.

Now, Sir, the Government has been charged with having placed too much reliance on tax sources instead of relying on borrowed capital for meeting their war expenditure. I think those who are impatient for the war expenses to be financed by loans need not be, because the time will come, if we have to embark on a greater effort, when our taxable resources will be exhausted; and until that time comes I agree with the Honourable the Finance Member that he has made a correct distribution between the present-day taxpayers and future generations.

Sir, in conclusion I should again appeal to the Finance Department to be a little less stony-hearted towards the Imperial Council of Agricultural Research. Our grant even for Marketing is being reduced every year, while the Government can find money for expansion of broadcasting, for civil aviation, for tribal areas and a special head has been created for war expenses. In all I find that the expenditure chargeable to the war directly or indirectly in the shape of extra expenses comes to Rs. 89 crores, a sum which is greater than the total

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income of the Government of India during the last eight pre-war years, the net income. We are spending that huge amount on the war, but he cannot find Rs. 50,000 for the Imperial Council of Agricultural Research and he needs must reduce his grants to us.

Sir, I have reached the limit of my time and in the end I should like to say that you can have co-operation from Indians on terms of equality. You can ask us to bear a greater burden, provided you part with part of your control and power. We are willing to share the burden together with prospects of control. Without that, Sir, it would be difficult for any one to give his support to the war at all.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Sir, the most obvious feature of our Budget is the large increase that has taken place in our expenditure on account of the war. Comparing the expenditure proposed for the year 1941-42 with the last pre-war year, that is 1938-39, I find that our civil expenditure has risen by nearly Rs. 3½ crores and our military expenditure by nearly Rs. 38 crores. And how has the Honourable the Finance Member tried to meet the increasing burden of military expenditure? At the commencement of the current year he imposed the excess profits tax, increased the sugar excise duty from Rs. 2 to Rs. 3 per cwt. and raised the duty on motor spirit from 10 to 12 annas a gallon. He expected these three duties to yield about Rs. 6½ crores. Finding that the additional money placed at his disposal by the Legislature was insufficient to enable him to meet his obligations, he came to us in November and asked us to agree to the enhancement of certain postal rates, the enhancement of telegraphic rates and to a surcharge on income-tax including corporation tax and super-tax. He expected that these three taxes would yield about Rs. 6 crores in a full year and about Rs. 2 crores only in the current year. Needing more money still, he has come to us again asking us to vote taxation amounting to about Rs. 6½ crores. Thus, every six months he has come to us asking us to add about Rs. 6 or Rs. 6½ crores to our taxation. Even so he is unable to make both ends meet. The existing year, in spite of the good fortune of our railways which have made more than their stipulated contribution to our revenues, will close with a deficit of about Rs. 8½ crores, and the next year is expected to end with a deficit of nearly Rs. 14 crores. Our total deficit for these two years will therefore amount to about Rs. 22½ crores. Now, while new burdens are being placed upon us we cannot but be acutely conscious of the fact that they are the result entirely of the decisions arrived at by Government in the shaping of which we have absolutely no part. The country is called upon to meet the demands made on it in connection with the war from time to time without the slightest change in the present constitution system. I do not want to develop this theme today for I shall have sufficient opportunity to do it in connection with the Finance Bill. It was impossible however for me to overlook this question of policy even during the discussion of the Budget when we are expected mostly to concentrate our attention on financial matters.

There are two or three points of a financial nature which I should like to bring forward before I refer to one or two questions of a more general character, reserving other questions of policy, for instance the question of the industrial policy that Government ought to adopt, for discussion in connection with the Finance Bill. The first point that I should like to inquire about is the arrangement made with His Majesty's Government for the disbursement of their obligations to this country. A question was put about it this morning

but the Finance Secretary declined to answer it. He said it was contrary to the public interest to give the information asked for. Now I for one fail to understand the cogency of the reply.

THE HONOURABLE MR. C. E. JONES : As a matter of fact that answer of mine related to the amount of expenditure incurred by His Majesty's Government and not as to the policy of allocation of expenditure between the two Governments.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I did not say one word with regard to the policy of allocation of expenditure. I was speaking about a different matter altogether, about the total amount received by us from His Majesty's Government and the place in our accounts where it is shown. I believe my Honourable friend Mr. Hossain Imam's question related to this matter but the Finance Secretary refused to answer it.

THE HONOURABLE SIR JEREMY RAISMAN : On a point of fact, Sir, I feel I cannot allow this point to go misunderstood in this way. The question that was asked of the Finance Secretary related to the expenditure of His Majesty's Government in India. That is not necessarily expenditure paid to the Government of India. It is information which is not even laid before the British Parliament and therefore it is unsuitable that that information should be disclosed in any other Legislature.

THE HONOURABLE MR. HOSSAIN IMAM : May I ask whether he will inform the House what was the amount given to the Government of India by His Majesty's Government during that period?

THE HONOURABLE THE CHAIRMAN (The Honourable Sir David Devadoss) : You may put a question to that effect if you like.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I do not deny the importance of the question put by Mr. Hossain Imam, but my question is of a more limited character. I should like to know how much money we have received from His Majesty's Government in payment of the expenditure incurred by us in connection with the raising, training and equipping of new units and in connection with any troops that might have been despatched to different theatres of war outside India in excess of Government's obligations under the Chatfield scheme. I should like to know where the money received from His Majesty's Government for this purpose is shown in our accounts. Mr. Hossain Imam's question might have been wider than I thought it to be, but I gather from the Finance Member's interruption that he would now have no objection to supplying information of the more limited kind that I have asked for.

The second question, Sir, that I should like to consider relates to the stoppage of the commission which we used to charge His Majesty's Government on the orders executed for them. When the Supply Department was established, the Finance Member stated—I think he stated this in his Budget statement for the current year—that the cost of the Department would be recovered from His Majesty's Government. Later on Mr. Dow in answering a question of mine on this subject said :—

"No direct contribution is made by His Majesty's Government towards the cost of the Supply Department. The Department, however, levies departmental charges on all supplies made to overseas authorities, including His Majesty's Government. There is no reason to suppose that these charges will not completely cover the cost of work done on behalf of His Majesty's Government and indeed the charges will if necessary be adjusted so as to ensure that the cost is completely recovered."

THE HONOURABLE MR. HOSSAIN IMAM: On what date was this reply given, Sir?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: On the 4th March, 1940. It is rather surprising, Sir, that after having committed themselves in this manner, Government should subsequently have decided not to charge any commission on the orders placed in India by His Majesty's Government. The reason given for this in the other House was that the War Office and the Ministry of Supply were not charging any commission on orders placed in England on behalf of the Government of India and that the greatly increased orders placed in India by His Majesty's Government and the economic advantage that would thereby accrue to India made it desirable that the Government of India should forego the commission of 3 per cent. which they formerly charged. So far as the first point is concerned, Sir, the Government of India must have been aware of it, I should think, when Mr. Dow gave the reply that I have already read out to the House. So far as that point is concerned, it is nothing new and to the extent that the Government of India rely on it their reply is unconvincing. As regards the second point, one has to bear in mind the relations between India and England. We have for years and years been placing large orders for our requirements in England. They must have considerably benefited British industries, but I do not think that that consideration has in any way influenced the relations of His Majesty's Government with the Government of India in financial matters. I am therefore sorry to say that even in regard to this matter it seems to me that the Government of India are on very weak ground. Another consideration that weighs with me is that when the current year began the expenditure of the Supply Department was I believe only about Rs. 23 lakhs.

THE HONOURABLE SIR JEREMY RAISMAN: Estimated.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: It was estimated to be Rs. 23 lakhs and it is now estimated to be Rs. 58 lakhs. In the course of a year it has increased by Rs. 35 lakhs. If more orders are placed with us I have no doubt that the expenditure on the Department will further increase. If the increase in the coming year is of the same order as that in the current year, our expenditure may amount to between three-quarters of a crore and a crore. Surely this sum is big enough for us to recover from His Majesty's Government. Let me say in order to remove any misunderstanding that I have no desire whatsoever to make any profit out of the perilous situation, the most regrettable situation, in which His Majesty's Government find themselves. But I do not think I can be accused of making any improper demand when I ask that the matters relating to the supply of stores to His Majesty's Government should be placed on a business basis. I think that the matter requires reconsideration and that the Government of India, seeing how limited the financial and economic capacity of India to bear new burdens is, should revise their policy and inform His Majesty's Government that they have come to the conclusion that in the present situation they could not adhere to the decision which they announced in November last.

My third question, Sir, is of a different kind. The Railways have, I admit, made a handsome contribution to our revenues. But I am afraid that the separation of railway from general finances has made many even of those who devote considerable attention to financial matters think that the Railway Budget is somehow an entity by itself and that financially it must continue to occupy a special position even at this time. The Government of India have

done something themselves to remove this illusion by calling upon the Railways to make a larger contribution, a contribution which, strictly speaking, they could not have been asked to make under the terms of the agreement arrived at in 1924-25. But in my opinion they have not gone far enough as yet. I find that, if the anticipations of Government are realized, the balance in the Railway Reserve Fund will, at the end of next year, amount to Rs. 5½ crores. Now, suppose that that money had been a part of what we call the General Budget. Suppose it had been a part of the general balances of Government. Would it not have been utilized at the present time in order to meet our needs? I may be told that our Railways have passed through a very difficult period recently and that with the experience of that period fresh in our minds we ought not to deplete the resources at their disposal, for we should bear in mind that they might be called upon to bear heavy burdens after the war. Sir, there is a great difference between the circumstances of the Railways now and their situation during the last Great War. At that time there was no depreciation fund and consequently at the end of the war the Railways found themselves in a hopeless condition. They cannot be reduced to that condition now in view of the steps taken to provide them with a depreciation fund. But I do think, Sir, that at the present time the money placed in the Reserve Fund of the Railways, which will be larger, I believe, than that shown here by about a crore, should be regarded as a part of the general balances. We have to meet a deficit of nearly Rs. 22½ crores. People ask the Honourable the Finance Member to meet a part of the cost of the war by means of loans. Well, so far as the deficit is uncovered, I take it that it will have to be met with the help of the Defence loans that the Government of India are raising. I do not see that there is any other way in which they can meet this deficit. In this state of things, I think that the suggestion that I have made today deserves their serious consideration. I see no objection on principle to the course that I have suggested.

Apart from this, Sir, there is the question of the provision made for the reduction or avoidance of debt. The Finance Member has himself referred to it in his statement. While pointing out that the deficit for the current year would be about Rs. 8½ crores he said that, as the provision made for the reduction and avoidance of debt was about Rs. 3 crores, the real deficit was only about Rs. 5½ crores. I take it that this means that the Finance Member has made up his mind, whether he technically omits this provision or not, to utilize this money for meeting his obligations. Perhaps that remark is superfluous because the money would go into the general balance of the Government of India and thus be available for meeting their obligations. But I venture to suggest that this provision should be done away with during the currency of the present war. There seems no advantage in retaining this provision even as a matter of form.

Sir, there are other matters too, but I think these are the most important matters which in my poor judgment require consideration at the hands of Government. I should like, before I sit down, however, to refer to two matters, one of a general kind and the other of a complimentary character. Let me deal with the second point first. I heartily congratulate Government on their decision to repatriate £90 million of the sterling debt and to acquire the telephone companies in Bombay, Calcutta and Madras. I approve of the latter decision on the same grounds on which I approve of their decision to purchase certain railways.

[Pandit Hirday Nath Kunzru.]

As regards the first point, I attach considerable importance to it both on economic and on political grounds. On general grounds, Sir, I should have no objection to the utilization of British capital in this country.

(At this stage the Honourable the President resumed the Chair.)

But if British capitalists, because they have lent money to this country, want to control our constitutional system, want to have a stranglehold on our constitutional development, then I say the time has come for us not merely on financial but also on political grounds to reduce the sterling debt as much as possible and as quickly as possible. For these two reasons I heartily welcome the decision which Government have arrived at. I hope that, as more sterling accumulates in their hands in course of time, they will use it in the same manner in which they have used their existing resources. I do not know how they are going to finance this operation in India. It is a matter of considerable

importance. Perhaps the Honourable the Finance Member might like to enlighten us in regard to it. I attach importance to it because the manner in which the operation is gone through might have some effect on the development of the defence loans. In so far as contributions are made to it by small people the subscriptions to it will not be affected. But the bigger contributions might be affected by the manner in which Government decide to replace sterling by rupee securities.

There is only one other point that I should like to deal with, and that is of a very general character. I have already referred to the present constitutional position and the feeling that is produced in the country by the fact that its representatives have no hand in deciding questions of policy at present. Another factor which weighs with us is the fact that information on questions relating to Defence, External Affairs, and the development of our industries, on which both our economic prosperity and our ability to prosecute the war depend, is not supplied to us. In spite of our protests year after year, Government have chosen to remain practically silent on these vital questions. They think that our only business is to carry out their orders. They are well aware of the exasperation which has been caused by their policy. But they are unable to conquer their obstinacy. So far as the Defence Budget and External Affairs are concerned, Honourable Members are well aware that hardly any information is supplied to us. Even as regards industrial development, we are given the minimum of information possible and sometimes refused information that we can justifiably ask for. I will give only one illustration. The Eastern Group Conference met here recently. The Eastern Group Supply Council has been established in consequence of it and will act as its permanent organ here. But does any Honourable Member of the House know what the decisions of this Conference have been and how they will affect our future industrial development? I can understand that it is not possible for Government to give full information on all these subjects to the Legislature. But I am convinced that they can supply appreciably more information than they are inclined to give at the present time. Take the question of the war purchases by His Majesty's Government here. Some secrecy is being observed about it. But I gather from newspapers that both British and American officers refer publicly to the value of the orders placed on behalf of His Majesty's Government in the United States of America. If information of this character can be published without detriment to British interests in the United States, I see no reason why it cannot be given us without injuring our interests—

THE HONOURABLE SIR JEREMY RAISMAN: It has been given, Sir, in my Budget speech. I mentioned the value of the orders placed by His Majesty's Government up to the middle of January in my Budget speech.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: You said about Rs. 82 crores. I asked for information on a different subject altogether. If, however, Government are unable to move from their present policy, I suggest, as other Honourable Members doubtless have suggested before, and have suggested today, that a Defence Committee of the Legislature should be established which could be confidentially given a great deal of the information that cannot be supplied to the House. This demand was, I believe, first made by my Honourable friend Mr. Sapru in this House. I should think that no demand could be more moderate. We have never said that we would not like to do all that we can in order to defeat Fascism and Nazism. But Government have always and consistently loved to place themselves in the wrong by turning down every request of ours, however moderate it might have been for the satisfaction of our rights. I hope, Sir, that it is not yet too late for Government to think over the matter once more with an open mind and to arrive at a decision which would give satisfaction not merely to this House but also to the country. Constitutionally they are undoubtedly not responsible to us for the government of India. But they ought to realize how weak their moral position is and that it is neither prudent nor just that they should utilize to the full the power that the Constitution vests in them to act without reference to our wishes. Even a mighty Government like the Government of India, which in the last resort is not answerable to the people of this country, should not act arbitrarily. Even such a Government should try to carry the people, as far as possible, with them, and this is more necessary now than ever. This consideration will become increasingly more important in future. Developments are taking place both in Europe and in the Far East which, it seems to me, will greatly increase the importance of India to the Empire. Surely, then, it ought to be Government's effort to think of every means by which they might give satisfaction to India in order that you may get full and whole-hearted support in the prosecution of the war.

Sir, I have nothing more to say. There are questions relating to the Army and the Supply Department which I wanted to raise today, but there is no time for them and I hope that you will indulgently allow us to raise them in connection with the Finance Bill.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, there are one or two points which have been mentioned today about which I think misapprehensions exist, at least so far as I understand them. My Honourable friend Lala Ram Saran Das mentioned, for instance, the elimination of the Viceroy's commissioned officers. Well, so far as I know, far from their being eliminated they are being reinstated. They were eliminated in those units which on the introduction of Indianization were called Indianized units. That state of affairs no longer exists, and in those units from which they had been eliminated they have now been replaced. Nobody knows better than myself the value of these officers and I can assure you that their interests are very close to my heart and I will be personally responsible that those interests do not suffer. (Applause.)

Another point mentioned by the Honourable Member was the use that is made of University Training Corps. Well, I am inclined to agree with the Honourable Member that perhaps more use might be made of these units, and the matter is already receiving my consideration.

[His Excellency the Commander-in-Chief.]

There are other matters mentioned by the Honourable Member which I think I would rather refer to at another time. But I think the main point with which I am concerned in my capacity as Defence Member, the main point which has emerged today is this universal and insistent demand for a closer connection between the Members of the Legislature and the Defence Department, both in respect of the giving of advice to the Defence Department and of the receipt of information from the Defence Department. Well, Sir, I can only say that this demand has my complete sympathy. It is not an easy matter to arrange. Varying suggestions have been made and these suggestions require careful consideration. I have no doubt whatever myself that before very long we shall be able to arrive at some suitable compromise which will not only assist me but will be of value to the Members of the Legislature in the execution of their duty. I propose therefore to give this matter my immediate and personal consideration. (Applause.)

THE HONOURABLE THE PRESIDENT: Would the Honourable the Finance Member like to speak at this stage, because I understand he has a Cabinet meeting and I can hear him first and then call on other Members?

THE HONOURABLE SIR JEREMY RAISMAN (Finance Member): Thank you, Sir. The debate today has touched on many issues naturally. It has ranged from the extreme political end to highly technical and detailed examination of some of our figures by my Honourable friend Mr. Hossain Imam, and perhaps I might deal first with him.

I wish my Honourable friend, if there are points in the accounts presented to this House which he does not fully understand, would come to us and obtain information. I do deprecate his getting up and emphasizing points regarding which his information is not accurate and which may have the effect of misleading this House. The figures which are presented to this House are intended to be sufficient to enable the average Member to understand the general structure of the Budget. I realize that some Honourable Members have a deeper interest in particular details and my Honourable friend Mr. Hossain Imam has always shown a great passion for following out some of the most technical parts of our financial transaction. Well, Sir, I can only say that for him nothing less than the complete Finance and Revenue Accounts of the Government of India could be of any use. But there was one point of policy on which I would cross swords with him and that is on the question of the construction of the Calcutta Mint, which he instanced as an example of our extravagance in time of war. Sir, the position in relation to the Mints is that we are almost approaching a desperate situation. Coinage at an unprecedented volume is going on night and day and plant which is at the moment irreplaceable is being rapidly worn out. Now it is absolutely vital that we should take steps to change over from the existing Calcutta Mint to another Mint. We must lay plans. You cannot stop minting suddenly. It is not one of those businesses where you can put up the shutters and say in twelve months time we will resume working. You must lay plans, so that you can pass over from one place of production to another, and it is bound to be a pretty difficult transaction to carry out. But our object is to meet all demands on the Mints without at any time having a serious lacuna, which as Honourable Members know can be a source of the most extreme inconvenience to the public. In the case of the Calcutta Mint, apart from the pressing necessity for a third mint, there is the fact that the site on which the existing mint stands is an extremely valuable one. It is of no particular value to us.

There is no reason why it should be situated at the end of the new Howrah bridge, and in all human probability it will be a valuable site when the time comes to dispose of it, and therefore the transaction is likely in the end to cost the general taxpayer very little. Even if it were to cost him the whole of the Rs. 60 lakhs I claim that we have no option at this time but to embark on it. And if the accusation of extravagance in this case is typical of the grounds on which we are accused of extravagance, then that comforts me greatly.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable Member cite the incorrect informations I have given to the House?

THE HONOURABLE SIR JEREMY RAISMAN: There were several, and I do not think I should waste the time of the House. I give him one instance. He said the interest on the Silver Redemption Fund was being credited to capital instead of to revenue. That was not the case. It was mentioned last year in the Explanatory Memorandum because last year there was a drop in the market value of the securities and so any interest earned had first to go to make up that fall. But in the present year it is credited to revenue in the ordinary way, and therefore no statement has been made about it in the Explanatory Memorandum.

THE HONOURABLE MR. HOSSAIN IMAM: Under what head?

THE HONOURABLE SIR JEREMY RAISMAN: Does the Honourable Member question the correctness of what I have said?

THE HONOURABLE THE PRESIDENT (to the Honourable Mr. Hossain Imam): You can only interfere in the debate when the Honourable Member is winding up the debate on the ground that your statement has been incorrectly represented or that the Honourable Member has not understood your point. Not otherwise.

THE HONOURABLE SIR JEREMY RAISMAN: I was going to say, Sir, having been the recipient in another place and in this House of many complimentary remarks, I am perhaps in the mood, if I may say so, to hand some to others and I would like to compliment the Honourable Pandit Kunzru on the moderate and interesting way in which he dealt with the main financial points which emerge from this Budget and points which, if I may say so, appear to me most suitable for a general debate of this kind. I would like first to attempt once more to dispel the misunderstanding which exists regarding the expenditure of His Majesty's Government in this country and the expenditure of the Government of India. As I explained in my Budget speech last year, the first main point to bear in mind is that the whole of the Defence expenditure that occurs in India is first debited to His Majesty's Government. The next thing that happens is that certain parts of that expenditure are debited to the Government of India and credited to His Majesty's Government. Now, what is debited, as I have explained, is at first a certain figure based on our normal peace time defence budget, and secondly, an addition for certain increases; then, thirdly, the cost of what are called India's local defence measures, and, fourthly, there is the ordinary pensionary charge—or what is called the non-effective item. Now, that is the position. The whole of the residuum is debited to His Majesty's Government. The reason why it is unsuitable that the precise figure should be given in India has been explained by me. The

[Sir Jeremy Raisman.]

Budget of His Majesty's Government in England is not exhibited in sufficient detail to give that figure. If it were so exhibited, then there would be absolutely no reason whatever why I should not exhibit it here. But I submit that it is unfair and unsuitable; if His Majesty's Government for reasons of their own are not prepared to lay before their own Legislature details of that nature, then we cannot for our own purposes give publicity to them here. But in order to enable Honourable Members to have some idea of the magnitude of the expenditure, I did make certain allusions to its general size in the course of my Budget speech.

I come now to another point with which the Honourable Pandit Kunzru dealt and that is the question of commission on Supply Department purchases for His Majesty's Government. Now, Sir, I do not wish to introduce any sentimental considerations into this question. I deal with it purely on the business basis. The fact is that His Majesty's Government make on our behalf considerable purchases; or rather they make supplies of commodities and of products which are very difficult indeed to obtain—articles and equipment which as a matter of fact we could not obtain at all and which the peace time machinery which we had in the United Kingdom would be quite incapable of obtaining. The reason is that whole industries which produce articles and equipment of this kind are now completely under the control of the Ministry of Supply and it is useless for any other purchaser to attempt, so to speak, to go into the open market and pick up these things, just as useless as it will shortly be in America. In England the whole business now of obtaining certain types of article is completely in the grip of the Supply Ministry of His Majesty's Government. Now, we get our supplies of this type of article and of equipment directly from His Majesty's Government. They supply those things to us at exactly the same cost as they supply them to themselves. They charge us nothing extra, although in many cases the machinery of control which is involved is much more elaborate and expensive than our Supply Department in India. The Supply Organization in England is a tremendous organization, but they do not attempt to recover from us a proportion of the cost of that organization. So my main point is that on the ground of reciprocity it was impossible for us to go on charging His Majesty's Government when they in precisely similar circumstances were not charging us, and the moment they raised the point—whatever the Government of India had intended and had announced in regard to the intention of recovering the cost of the Supply Department as far as possible by a percentage charge on supplies—we realized that our position was untenable. It also, I may say, is the case as far as I am aware, that the Dominions do the same thing; they do not levy a percentage in order to cover the cost of their Supply Departments. Now, having stated the more business-like basis of this arrangement, I would like to go a little further. Some of the transactions between His Majesty's Government and ourselves are not ruled by the strictest business considerations. As I mentioned in my Budget speech, they have made supplies to us of certain equipment free of charge.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: If I may interrupt the Honourable Member. Was not that a part of the Chatfield recommendations?

THE HONOURABLE SIR JEREMY RAISMAN: In addition to and apart from the Chatfield basis, they have made supplies of certain things to which we are not entitled under the Chatfield arrangement. They have on being

requested placed certain material and equipment at our disposal without charge. Well, Sir, I know that it will be useless to put a point like this to anybody who entirely disapproves of India's collaboration and of co-operation in the war effort of His Majesty's Government. But, speaking as I am to Members of this House who I know do not take that attitude, I suggest that we should put ourselves in an unadmirable position if in the face of these facts we were to insist on continuing to collect our percentage on the supplies which we were purchasing for His Majesty's Government. It is clear that India is deriving great economic advantages from these supplies and it is also the case that His Majesty's Government is probably bearing the most tremendous financial burden which any Government ever bore in the history of the world. I said that I do not wish to introduce sentimental considerations, but in addition to the solid reasons which I have already mentioned, I suggest a background like that deserves to be taken into account.

The Honourable Mr. Kunzru then dealt with the question of our relations with the Railways and he thought that the railway contribution was in effect not sufficient and I think what his suggestion amounted to was that the whole of the railway surplus should be automatically appropriated to general revenues. Well, Sir, that is a point of view which can be argued. I myself think it is unnecessary to go back on an important decision of that kind—the decision to separate railway from general finances, merely under the stress of what we hope is a temporary emergency, and that we should endeavour to continue to maintain the separateness of the accounts for the reasons for which that system was introduced which still to a great extent hold good. It is not as if the money earned by the Railways were not at our disposal for the prosecution of the war. If that were so, the matter would be different. But the fact remains that, whatever the Railways earn is invested with us. We, the general revenues are, so to speak, the bankers of the Railways and therefore the surplus which they put in their Depreciation Fund and in their Reserve Fund are banked with us, are loaned to us, and are available to us for war purposes.

He touched on the Sinking Fund provision of Rs. 3 crores and asked why, since in effect I took the credit for it in casting up the results of the year's account, he asked what was the object in continuing to make this provision. Well, Sir, there is an object. Actually this sum of Rs. 3 crores represents the total of certain obligatory provisions which we have to make in respect of sinking funds attached to certain loans and of certain railway annuities so that we could not in any case abandon this provision. It would have to be made in order to fulfil obligations which we have. In the circumstances we continue to make this provision for the reduction and avoidance of debt, but I did take the liberty of pointing to it in order to mitigate the effect of the deficit.

On the subject of repatriation, my Honourable friend wished for further information on the method of financing the operation, of which I understood that he cordially approved. Well, Sir, I gave in my Budget speech such information as I could at the present stage and I explained why we could not go into further details because the exact figures of the amounts we shall have to deal with will not be precisely known to us until the 10th March. It will then be for consideration in what precise manner we should proceed to raise the rupee finance which will be necessary to cover the whole transaction.

I turn now to the Honourable Mr. Shantidas Askuran and I only wish to deal with one point and that quite briefly, and that is the matter of the enhanced duty on art silk yarn. The Honourable Mr. Shantidas Askuran:

[Sir Jeremy Raisman.]

asked me whether I intended to change the duty on art silk fabric accordingly. Well, Sir, even if we did intend to change that duty, it would not be necessary for us to bring forward legislation because it is a protective duty in regard to which we have certain powers. But I would like to make the position clear to this House as I did in another place yesterday. The duty on art silk fabrics is a protective duty which was imposed in the interests of the cotton textile trade. That is to say a specially high rate of duty was imposed on artificial piecegoods in order to assist the cotton piecegoods manufacturer. Now what happened? The duty on art silk yarn still remained at its previous low level whereas the duty on art silk fabrics underwent a rise. The result was that an industry sprang up in this country, a curious industry which consisted in the weaving of art silk fabric out of imported art silk yarn. To that extent was exploited a weakness in the protective system, because these art silk piecegoods woven from imported art silk yarn were just as perilous to the cotton piecegoods industry as were the art silk fabrics imported direct from Japan. Now that I take a step which incidentally has the effect of partly removing that anomaly, I am asked why I do not protect the art silk fabric industry. It is really a most paradoxical position but as I indicated yesterday I do not regard the industry of weaving art silk fabric out of imported yarn as having any great claims to our consideration. At the same time, I do not admit that what I have done and propose to do, while reducing the lucrative margin which the industry has enjoyed hitherto, I do not think it will make it impossible.

There is only one other matter on which I would like to speak and that is the complaint of my Honourable friend Mr. Richardson regarding the administration of the excess profits tax, and I think the income-tax, in Calcutta. Well, Sir, I was perturbed to hear some days ago of the grievances which the Honourable Member entertained and I took the step of sending down to Calcutta a Member of the Central Board of Revenue as well as the Excess Profits Tax Adviser. They went down and got into contact with the representatives of many of the important firms in Calcutta and with their accountants.

THE HONOURABLE MR. J. H. S. RICHARDSON: There are only two representatives.

THE HONOURABLE SIR JEREMY RAISMAN: Well, Sir, the reports submitted to me indicate more than that. In any case, the representatives of the main firms of auditors in Calcutta are, I believe, in a position to speak about the state of the income-tax work in relation to most of the firms. Well, I am glad to say that I received a very reassuring report in comparison with the alarming state of affairs which I had apprehended might be found to exist. But I do wish to point out one thing and that is that in the present circumstances it is true that the Department is heavily overworked. It is not possible at a moment to call into being expert income-tax administrators. It is also the fact that our policy naturally at a time like this is to take up for assessment and to complete those cases where assessments are likely to result in tax having to be paid. If *prima facie* it is merely a matter of determining the amount of loss, then it is clearly at the present time not so urgent a matter as a case where the tax will be collected. So that it is possible to have quite an impressive arrears list with at the same time very little money outstanding in relation to these arrears. I do not say that these cases should not be completed, and of course it is the business of the income-tax officer to complete them as soon as possible. But it is a fact that for practical purposes they are not as urgent at the present time as are other types of cases.

My Honourable friend reminded me of the promise I made last year in regard to the administration of the Excess Profits Tax Act and the machinery of this Department. Well, Sir, I am fully conscious of that promise. I wish to detract nothing from it, and what is more, I have to say that I have taken steps this year to ensure that the administration of this tax was properly planned. I made efforts to secure an officer whom I consider as almost unique in the Empire in respect of excess profits tax. He occupied a very high position in the excess profits tax administration of the United Kingdom and I do not think anybody could question his competence or his zeal and energy. Well, I could not get more than one officer of that type, but at the earliest moment after his arrival he sat down to make out a whole scheme of instructions and forms and everything that was necessary in order to enable the Department to assess and collect this tax. There was a good deal of work involved. I knew there would be and the result was, as I mentioned in my Budget speech, that the first returns were not due till the end of November. There is one matter in regard to which I think I can claim the sympathy of the House, and that is, that when the Excess Profits Tax Bill was going through Select Committee, at every stage which involved a period of time, the Committee insisted on giving the assessee more time. You cannot do that and at the same time expect us to complete the assessments in a short period. If the assessee is to be given 60 days to make his return, if again the next thing which is to be done, instead of being one month later is two months, and so on, then the whole business must take a good deal longer and as this is the first year of the administration of an exceedingly difficult and important tax, I claim that we have done our best and gone ahead as fast as we can. The Honourable Member mentioned that in the circumstances we had asked firms to make advance payments of the estimated amount. That, Sir, I understand is a practice which is common in the United Kingdom in times like this. I do not wish to be misunderstood. I fully appreciate the patriotism of firms which have responded to that request. They are under no obligation to make any payment before the tax is actually assessed and the demand presented, and I am deeply grateful to them for responding to our request and in cases where it was clear that tax would be payable, for making an advance payment. But the fact that we did have recourse to this is not, I suggest, indicative of a parlous state of affairs in the Department.

I will not detain the House with any further points. I am very grateful for the reception which has on the whole been accorded to my Budget.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, I do not wish at this stage to detain the House with a long speech. The main feature of the Budget is that it reflects the war situation. The increased expenditure for which the Finance Member is responsible and which is to be met by fresh taxation has been necessitated by the war. So far as we are concerned, we recognize the necessity of effectively strengthening the defence forces of this country. But the great difficulty here is a political and psychological difficulty and in determining our attitude towards the Budget we cannot ignore those psychological and political factors. We find ourselves not associated in any effective form with the conduct of the defences of this country and therefore we are always suspicious of the Defence Department. I am, therefore, Sir, very glad that His Excellency the Commander-in-Chief—I am sorry that he is not here just now, because I want to say that we, on this side of the House, appreciated his conciliatory manner very much; we hope that he will inaugurate a new era here in this House.

[Mr. P. N. Sapru.]

We hope that we will be able to get rid of our past traditions and we will write a new chapter in our relationship with the Defence Department. He has indicated that he is prepared to consider sympathetically the demand for an Advisory Council on Defence. In fact, our demand now is for an Indian Defence Member, but I do not raise any political issues today. I am glad that he is prepared to consider the demand for an Advisory Council on Defence with sympathy. I think that on that Advisory Council the Legislative Assembly and the Council of State ought to be effectively represented by elected representatives. I hope that the conciliatory tone, which His Excellency adopted today, means that hereafter there will be greater co-operation between the Defence Department and the Opposition benches.

I will just refer to one other point to which reference was made by the Honourable Dr. Kunzru. He pointed out what I had indeed pointed out in my speech before on the Supply Department that we are foregoing supply charges for goods supplied to His Majesty's Government. The answer that the Honourable Sir Jeremy Raisman has made is that there is reciprocity in this matter and that His Majesty's Government are not charging us commission for purchases made by us in Great Britain. I would like to know, Sir, whether there is any real reciprocity in this affair. What is the volume of goods that we have purchased from the United Kingdom and what is exactly the volume of goods that the United Kingdom has purchased from us? Sir, we were charging in peace time this commission and I venture to think that if comparison is made, it will be found that we are purchasing much less from the United Kingdom than the United Kingdom is purchasing from us. The advantage lies with the United Kingdom and not with us. There is, therefore, little reciprocity in this affair—

THE HONOURABLE MR. C. E. JONES: Sir, if you will allow me to interrupt the Honourable Member at this stage, I should like to explain that the question is not so much the amount purchased by India from the United Kingdom as the amount supplied to India by the United Kingdom, and I can give the Honourable Member an assurance that the balance of advantage in this reciprocal arrangement is in favour of India.

THE HONOURABLE MR. P. N. SAPRU: Is any commission charged for purchases made for the Allies?

THE HONOURABLE MR. C. E. JONES: If they purchase in India, I think the 3 per cent. is charged.

THE HONOURABLE MR. P. N. SAPRU: Why is this distinction made between His Majesty's Government and the Allies?

THE HONOURABLE MR. C. E. JONES: It is simply a reciprocal arrangement between His Majesty's Government and India.

THE HONOURABLE MR. P. N. SAPRU: Well, Sir, I have pointed out that in my humble opinion I can see little reciprocity in this arrangement, and therefore I think the point remains where it was left by the Honourable Dr. Kunzru.

There are two or three other items to which I should like to make a reference. I find that there has been an increase of Rs. 21 lakhs in the case of

Broadcasting. The figure on page 11 is Rs. 29.77 lakhs and this year it has gone up to Rs. 50.04 lakhs, that is an increase of Rs. 21 lakhs. Now on page 15 of the Explanatory Memorandum the explanation given is—

"The budget provides for a block grant of Rs. 17 lakhs for development. There is also additional expenditure for the cost of the expanded services over a full year".

Sir, why is there this increase in the Broadcasting Department? Is it intended for Indian troops abroad? Has this increase been necessitated by the fact that Indian troops abroad need more broadcasts? If that is so, then I would say that this item should be charged to His Majesty's Government, because they are not merely serving India; they are serving His Majesty's Government in Egypt also.

Then there is another item to which I should like to invite attention. That is on page 12, I find there is a big increase in "Miscellaneous expenditure connected with the war". The explanation is:—

"The revised includes Rs. 25 lakhs and the budget Rs. 63 lakhs for payment of the premia collected under the War Risks (Goods) Insurance Scheme which is first taken to revenue as credit to the Insurance Fund. Omitting this amount the increase in the revised and the next year's budget over the current year's budget is mainly due to the following additional expenditure".

And among the items I find "Training of skilled artisans". The revised estimate is Rs. 7.21 lakhs, and in the budget it is Rs. 92.78 lakhs. Now these trained artisans will be necessary for the successful prosecution of the war in which His Majesty's Government is also equally interested, and therefore there should be a contribution by them towards this item of expenditure.

I would also like to refer to the increase in the expenditure on aviation. There is an increase of about Rs. 10 lakhs in aviation.

"The budget provides for a block grant of Rs. 35 lakhs for the development of civil aviation against Rs. 25 lakhs in the revised, as well as for additional expenditure on the normal running of the department in war time".

I should have liked the increase in the grant for civil aviation to be larger than it is.

Passing on from these minor criticisms to the broader issues raised by the Budget, I may indicate my own point of view quite frankly. I have little fault to find with the mechanism of the Budget. As far as I can see Sir Jeremy Raisman has a deficit of over Rs. 22 crores to meet. He has met it partly by borrowing and partly by taxation, more by borrowing than by taxation. Therefore the burden is to be placed not only on the present generation but to some extent also upon the future generation. My own view is that the present generation is mainly responsible for this war and we should as far as possible finance this war by taxation. I do not say that the entire war effort can be financed by taxation. That is not my proposition. I think Sir Jeremy Raisman is right in the view that for the financing of the war effort we must rely both upon taxation and borrowing and that we cannot exclusively rely upon borrowing for financing the war effort. So far as this aspect is concerned I find myself more in agreement with Sir Jeremy Raisman than with his critics.

Coming, Sir, to the actual proposals, I recognize that they will need very careful consideration and I should not like to commit myself at this stage to any precise details. But I am rather worried about two items of fresh taxation. One is the duty on matches. I think that duty will fall on the poor man and it will be in the nature of the salt tax. It will fall upon people who

[Mr. P. N. Saprū.]

cannot afford to bear the burden. I should therefore like the case for increasing the duty on matches to be reconsidered. The second item about which I am a little doubtful is the surcharge on income-tax. I am not thinking of the super-tax but of the income-tax only. I believe that even those whose income is only Rs. 2,000 a year will have to pay this surcharge.

THE HONOURABLE MR. C. E. JONES : All income-taxpayers will have to pay.

THE HONOURABLE MR. P. N. SAPRŪ : I should like an exemption limit, Sir. I think the surcharge should be levied on persons who have an income of something like four to five thousand rupees a year and more, and those with lesser incomes should be exempted from this surcharge. I know that taxation in this country cannot be so heavy as it is in England and our industries have passed through a period of great depression. They have to provide against future slumps. Also we need rapid industrialization, and I know that the figure 66½ which has been proposed for excess profits duty is a very high figure, but I hope, Sir, that in future, when the need arises for fresh expenditure, this consideration that conditions in India are not exactly identical with England will be borne in mind. England is a highly industrialized country and the taxation which people in England can bear people in India cannot necessarily bear. This consideration will have to be borne in mind in future. That is all that I would like to say at this late stage on the Budget.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan) : Sir, before I make my observations on the Budget, I should like to give expression to our appreciation of the very excellent speech which His Excellency the Commander-in-Chief has just made and which shows the very helpful, salutary and very proper attitude which His Excellency brings to the formulation of the defence policy of the country. This is a very happy augury for the success of His Excellency's term of office and also for the great benefits that we hope would accrue to the country by a change and a welcome change in the defence policy of the Government. Sir, if this is the attitude in which this difficult and complicated problem is approached, there is every hope that there will be more co-operation between the people of the country and the Government and a beginning will be made for giving effect to the instruction which is given to His Excellency the Governor-General to try and give Indians an increasing interest in the defence of their country. Sir, I feel it is my duty also to pay a compliment to my Honourable colleague the Finance Secretary for the very lucid and able speech which he has made in introducing the Budget.]

Now, Sir, as regards the Budget. The Budget has got to be viewed from two standpoints, from the point of view of the needs of the State and also from the point of view of the effect that taxation proposals will have on the people in the country. Judged from these standpoints, it is obvious that both the Honourable the Finance Member and the Honourable the Finance Secretary have discharged very creditably and ably the onerous duty of meeting the extra requirements of the State necessitated by the present abnormal conditions while distributing the burden in a manner that the main burden of expenditure falls on such shoulders as are best able to bear it. Sir, it has just been expressed by my Honourable friend Mr. Saprū that the present generation being responsible for the war it is just and fair that the burden of financing it

should fall only upon the present people and that it should not as far as possible be carried on to posterity. I am totally opposed to this proposition. I am of opinion that the larger part of this burden should be borne by posterity, because I feel that the new order which is expected to be ushered in after the war, all the sacrifices that are now being made to defeat and destroy the forces of aggression, the benefit of all these would be enjoyed by generations to come. It is therefore just and proper that this burden should be borne more by future generations than by the present people who for several years in succession have had taxation imposed upon them year after year. I am one of those who on the occasion of the last Budget recommended that borrowing should be resorted to instead of taxation and I am glad that the Honourable the Finance Member has seen his way to resort to borrowing and that in respect of a large portion of the deficit.

Sir, just a word about what was said about the attitude of the Muslim League in regard to the war. I am not going to labour this point. I would just take the opportunity to state our attitude in this respect. It was wrong, as some Honourable Members had suggested, that the Muslim League has been trying to bargain to get its pound of flesh, taking advantage of the difficulties of Great Britain. It is sheer travesty of facts to state this. Even though the offer of the Muslim League to participate in the government of the country could not be implemented on account of the failure of the authorities to accede to the demands which the League made, the League has not done anything to obstruct the war. On the other hand, Sir, the League has allowed every latitude and liberty to its members to do their utmost in helping the war effort, and it is on account of this attitude of the League that the Muslims all over the country are doing their uttermost to help the war by making the highest possible contributions in men and money.

Sir, a word about the consequences that have resulted on account of the policy which has been followed up till now in the Defence Department. I hope that the attitude which His Excellency the Commander-in-Chief is going to bring to these matters will help to cause a new orientation of policy in this respect. But as things are the policy followed in the past and, until recently, has given rise to many grievances in the country. A large number of young men are offering their services everyday for active war service, but most of them are told that their services are not required because they do not have the requisite training for modern warfare. I ask, Sir, who is responsible for this lack of training on the part of these young men? Is it not the defence policy which has been followed in the country over all these years? Even if nothing much had been done in the past to give such sort of training, the Government should have taken care immediately after it became evident that war was inevitable to provide more facilities for training in the country. Sir, even this restricted recruitment to the army is limited only to very few parts of India. A number of provinces in the country have been almost practically ignored. Madras, Sir, which supplied such a fine set of people as recruits to the army—

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House) : I suggest that, as there is a Resolution on this very subject likely to be discussed in this House tomorrow, perhaps my Honourable friend would see his way to reserve his remarks on this particular point until tomorrow rather than develop his arguments today.

THE HONOURABLE THE PRESIDENT : Quite so.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : Very good, Sir. I won't say anything about recruitment now. I will just say one word about the Services. It is a pity, Sir, that though as many as seven years have elapsed since the Government communique was issued by the Home Department allotting proportions to the various communities in India, it is a matter for extreme regret that the Mussalmans have failed to secure their share in the Services. A number of explanations are given, Sir, to explain away the present unhappy state of things. Even though it might not be quite possible to give their due share to the Mussalmans in respect of promotions, which proposition too I do challenge but which I concede for the moment, even though it might not be possible to secure their due share to the Mussalmans in respect of promotions, it should be quite possible to give the necessary number of appointments to the Mussalmans when there is direct recruitment, but even in this respect, Sir, we find that the number of Mussalmans that are admitted as direct recruits to several services in the country is not quite as large as it ought to be. My humble submission is that, if only the heads of departments who have got to make these recruitments take a little trouble and examine things for themselves, it should be quite possible for them to find suitable Mussalmans to fill all the vacancies that might be earmarked for them. What actually happens is this. That when a number of suitable Mussalmans are not forthcoming, the vacancies which are earmarked for them are given to non-Mussalmans. If this practice is continued, Sir, there is no chance of the Mussalmans getting their due share in the Services. There is yet another danger, this practice offers temptation to some people to somehow manage that the requisite number of Muslims is not secured, so that some of their vacancies may go to non-Muslims. While I am on this aspect of the question, I will just cite an instance which will go to show how the authorities by taking a little trouble can set things right. Sir, last year I understand there were five vacancies in the posts of lower gazetted engineers in the Public Works Department and only two Mussalmans were recommended for them. But the Honourable Member in charge of the Public Works portfolio did not adopt the usual easy practice of filling up these three vacancies with non-Mussalmans. He waited and communicated with Provincial Governments. The result was that a sufficient number of suitable Mussalmans were sent by those Governments to take up the posts. If he had followed the usual practice of giving away these three vacancies to non-Mussalmans, the Mussalmans would for 20 or 25 years have been deprived of these three posts in the Engineering Department. I wish, Sir, that this action is resorted to by other heads of departments and by everyone who has got to make appointments. When the Member of the Executive Council was at such pains to secure a requisite number of Muslims, surely to the heads of departments such a course should be quite possible. Even in matters of promotion, I am of opinion that there should be some way found out to ascertain whether anybody who by virtue of his seniority has got to get a senior post or promotion is or is not really fit for it. A number of instances have come to my knowledge, Sir, in which people have been admitted to be doing very good work ; there has been no fault found in the way in which they have been discharging their duties, and as a matter of fact their work has been pronounced to be good, but promotions have been withheld from them on the ground that the work has not been so exceptionally good as to entitle them to promotion. I fail to understand the distinction between work being good and not being quite so good as to entitle a man to promotion. It all depends upon the person who judges of the subordinate's work. My own impression is that, when a man has served for a certain number of years which would entitle him in the ordinary course to cross the efficiency bar, he must be enabled to do so unless there is something

really bad against him ; unless he has been found to be wanting in efficiency and not in a position to discharge the duties in the higher sphere to which he might be promoted. Unless, Sir, this kind of practice is adopted, it will not be possible for decades to find Mussalmans in the higher grades in the country.

The Council then adjourned till Eleven of the Clock on Thursday, the 6th March, 1941.

COUNCIL OF STATE

Thursday, 6th March, 1941.

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

MEMBER SWORN :

The Honourable Mr. Dharendra Nath Mitra (Nominated Official).

QUESTIONS AND ANSWERS.

PRISONERS OF WAR.

69. THE HONOURABLE Mr. V. V. KALIKAR (on behalf of the Honourable Raja Yuveraj Dutta Singh) : Will Government state how many Italian and German prisoners of war are kept in confinement in India at present ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : The total number of prisoners of war in India on the 1st of March, 1941 was—

German	Nil.
Italian approximately	30,000

They include 21 Generals and one Admiral.

SIMLA EXODUS.

70. THE HONOURABLE Mr. V. V. KALIKAR (on behalf of the Honourable Raja Yuveraj Dutta Singh) : Will Government state whether, in view of war conditions it is proposed to continue the annual exodus to Simla on the same scale as in previous years, or whether it is intended to effect a curtailment in expenditure by reducing the extent of exodus to the barest necessity ? What offices and departments are intended to be retained in Delhi during the summer ?

THE HONOURABLE Mr. E. CONRAN-SMITH : As the Honourable Member is possibly aware a very considerable reduction was made in the strength of the civil offices taken to Simla last year. An effort is being made to reduce still further the strength of those offices moving to Simla. Apart from the bulk of the Civil Departments it is proposed to keep in Delhi this year a considerable portion of Army Headquarters.

PERSONS DETAINED WITHOUT TRIAL SINCE THE BEGINNING OF THE ANTI-WAR MOVEMENT.

71. THE HONOURABLE Mr. V. V. KALIKAR (on behalf of the Honourable Raja Yuveraj Dutta Singh) : Will Government state the names (with the provinces) of those persons who are detained as security prisoners without trial since the starting of the anti-war satyagraha ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I should like to have notice of that question, Sir.

Statement referred to in answer to part (a) of question No. 74 showing the number of Departmental officers employed in the Indian Army Ordnance Corps, Royal Indian Army Service Corps, etc., on the 1st January, 1941.

	Holding permanent commissions.	Holding temporary commissions.	Total.
Indian Army Ordnance Corps . . .	126	140	266
Royal Indian Army Service Corps . . .	41	100	141
Military Farms Department. . . .	4	Nil	4
Army Remount Department. . . .	4	Nil	4
Indian Army Corps of Clerks . . .	18	2	20
Military Engineer Services . . .	30	43	73

RECRUITMENT OF RATINGS FOR THE ROYAL INDIAN NAVY.

75. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Are ratings for the Royal Indian Navy recruited mainly from the Punjab? If so, will Government state why the other provinces are not given an equal opportunity with the Punjab in this matter?

(b) What is the proportion which ratings belonging to provinces other than the Punjab bear to the total number of ratings?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) and (b). Ratings for the Royal Indian Navy were at one time recruited almost exclusively from the seafaring folk of the west coast of India. It was found that a sufficient supply of recruits possessing the requisite educational and physical qualifications was not forthcoming from this source and recourse was had to the Punjab. For some time recruitment was mainly from this area. For the last year however recruiting has been from the whole of India. The proportion of the ratings of the Royal Indian Navy who come from the Punjab at present is 50 per cent.

COST OF CONSTRUCTING CAMPS FOR PRISONERS OF WAR.

76. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the cost of constructing each camp for Italian prisoners, giving the following details:—(a) total estimated cost, (b) cost incurred up to 31st January, 1941, (c) the portion in (a) to be debited to His Majesty's Government and to the Government of India, if any, with reasons?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) The total estimated cost of constructing each camp to hold 12,000 prisoners is Rs. 60 lakhs.

(b) This information is not readily available.

(c) The entire cost will be debited to His Majesty's Government.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: What is the number of Italian prisoners at Ramgarh?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: That camp is constructed to hold 12,000. I am not sure of the actual number there now. It is not 12,000 yet. It is probably about 5,000 or 6,000.

NUMBER OF MOTOR VEHICLES PURCHASED FOR THE DEFENCE DEPARTMENT.

77. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the number and price of motor vehicles imported or purchased by Government for the Defence Department from 1st September, 1939 to 31st December, 1940 and from 1st April, 1940 to 31st January, 1941?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: It is not in the public interest to answer this question.

INDIAN AIR FORCE.

78. THE HONOURABLE MR. HOSSAIN IMAM: Will Government give separately the following information about the Indian Air Force proper and training scheme for reserves:—

The number of Hindus, Muslims, Sikhs and others recruited, discharged, employed and undergoing training on 31st January, 1941?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: In the past figures showing the exact progress of our expansion have been freely published. The time has, however, now arrived when the advantage of such publicity will be outweighed by considerations of security. If we continue from time to time to make statements showing clearly the rate of our expansion in given periods, information of value to the enemy will inevitably be divulged. For these reasons I am unable to provide the answer to his question. I might add, however, for the information of the Honourable Member that communal considerations do not enter in any way into questions of selection or retention in the Indian Air Force. The only criterions admitted are that a candidate should be an Indian and that he should be likely to become an efficient member of the Service.

THE HONOURABLE SIR MUHAMMAD YAKUB: May I know, Sir, who are the officers who examine the candidates and give their opinion about their efficiency or otherwise?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I cannot give an exact answer to that question, but there is a Committee which is known as the Ginwala Committee and I think that the selection is finally done by that Committee.

THE HONOURABLE SIR MUHAMMAD YAKUB: Are different communities represented on this Committee?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I am afraid I do not know the exact composition of the Committee.

THE HONOURABLE SIR A. P. PATRO: Are different areas and provinces represented on this Committee?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: As I have said, I am afraid I am not aware of the exact composition of the Committee at the moment.

THE HONOURABLE SIR MUHAMMAD YAKUB: Will the Government consider the desirability of looking into this question and see that the Committee is composed of such members as represent all the communities and command the confidence of everybody in the country?

THE HONOURABLE MR. SHANTIDAS ASKURAN: Does the Honourable Member mean each caste and community?

THE HONOURABLE THE PRESIDENT: Order, order. He has a right to put the question in the form he wishes. If you wish to put any question you must rise afterwards and put it.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I am afraid a Committee as envisaged by the Honourable Member would have very great difficulty in ever reaching the end of its work. I do not know how many members there would be, but I imagine they would largely outnumber the Members of this Council.

THE HONOURABLE SIR MUHAMMAD YAKUB: Are Government aware that there is great dissatisfaction amongst certain members of certain communities that justice is not done to them in the selection?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I can only repeat that as far as I am concerned the selection of officers is based on the principle I have just stated, that is, the candidate must be an Indian and that he must be suitable for the post for which he has been selected. There are no other criteria.

THE HONOURABLE MR. HOSSAIN IMAM: Would the Government be prepared to lay a statement on the table of the people who have been discharged after selection?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I do not think that arises out of the question.

THE HONOURABLE MR. HOSSAIN IMAM: It is part of the question, Sir, because I wanted information on four items, and one of those refers to those discharged. That information will not hamper the Defence Department.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I do not quite follow.

THE HONOURABLE MR. HOSSAIN IMAM: I want to know how many people who have been selected have been discharged after selection by the Ginwala Committee?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: That information can be given. I have not got it with me at the moment.

THE HONOURABLE MR. HOSSAIN IMAM: I understand His Excellency will lay it on the table.

INDIAN AIR FORCE.

79. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the number of people selected from each province for training as mechanics for Indian Air Force, giving separately the number of Hindus, Muslims and others?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I lay a statement on the table.

Statement referred to in reply to question No. 79.

Provinces.		Hindus.	Muslims.	Parsis.	Sikhs.	Christians.	Total.
Sind including Baluchistan.	Regular I. A. F.	18	7	2	1	6	34
	Reserve	3	1	..	..	1	5
		21	8	2	1	7	39
Punjab including Delhi, Ajmer-Merwara and N.-W. F. P.	Regular I. A. F.	89	32	2	18	15	156
	Reserves	124	44	..	21	7	196
		213	76	2	39	22	352
Madras and Coorg	Regular I. A. F.	66	21	1	3	16	107
	Reserves	188	6	..	..	59	253
		254	27	1	3	75	360
Bengal, including Bihar, Assam, U. P., C. P. and Orissa	Regular I. A. F.	65	7	..	2	2	76
	Reserves	205	22	1	4	9	241
		270	29	1	6	11	317
Bombay	Regular I. A. F.	76	5	50	2	39	172
	Reserves	106	6	31	1	34	178
		182	11	81	3	73	350
<i>Summary.</i>							
Regular I. A. F.		314	72	55	26	78	545
Reserves		626	79	32	26	110	873
Total		940	151	87	52	188	1,418

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 Railways Act, 1890, which was passed by the Legislative Assembly at its meeting held on Wednesday, the 5th March, 1941.

THE HONOURABLE MR. V. V. KALIKAR: Sir, I have been advised by my Party not to move the Resolution standing in my name.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, I have withdrawn notice of the Resolution standing in my name and I am therefore not moving it.

RESOLUTION *RE* RECRUITMENT OF ALL CLASSES FOR THE INDIAN ARMY.

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 the additional forces required to expand the army which have hitherto been recruited from a few classes and areas only be in future raised from all classes and provinces in adequate numbers.”

Sir, His Excellency the Commander-in-Chief spoke to us yesterday in accents which were as welcome as they were unexpected. They mark a great change and a welcome change from the tone and language of the pronouncements to which we were accustomed at the hands of the Defence Department. His Excellency is obviously desirous that a new atmosphere should be created and that questions relating to Defence should be viewed from a different angle from that from which they have been viewed in the recent past. I shall show a responsive spirit in presenting my case to the House. In view of this I have no desire to go at any length into the unpleasant past. I will refer to past history only to the extent that it may be necessary to enable Honourable Members to understand how the present position has come into existence.

As every one doubtless knows, the British armies organized in this country were in the beginning territorial. They belonged to widely separated presidencies practically independent of one another. This involved, roughly speaking, two things. Men of all classes were recruited in the army and they were mixed together. Not only therefore had men from all classes and areas an opportunity of rendering military service, but as there were no class platoons or companies or regiments, generally speaking they were all mixed together in the same units. This system was changed to a certain extent under the reorganization that took place in 1861. The old system continued in the Bombay and Madras Presidency armies but it was modified to a certain extent in the Bengal Army. Even then about half the Bengal Army continued to be recruited on the old mixed basis. The real change in the basis of recruitment came about only many years later owing to the recommendations of what is known as the Simla Reorganization Commission. This Commission sat in 1879 when the Second Afghan War was going on, and, generally speaking, it recommended that the mixed system should be given up in the Bengal Army and that recruitment should be based on the class system. This recommendation was not fully carried out for some time, but it was developed and vigorously advocated by Lord Roberts. It was resolutely acted upon and became the guiding policy of the military authorities from 1890 onwards and particularly from 1890 to 1893. After Lord Roberts it continued to be the policy which guided other Commanders-in-Chief and it has continued in force up to the present day. It was, if I may say so, completely given effect to during the time of Lord Kitchener. The result of resorting to the class system of recruitment has been to confine recruitment more and more to certain areas and to establish class regiments or class companies. In other words, the necessary consequence of the developments that took place owing to the adoption of the class basis of recruitment was that fewer and fewer people in this country got an opportunity of serving their country in a military capacity. This policy still holds the field. I asked a question in November last with regard to the recruitment that has taken place during the last few months for the army.

(At this stage the Honourable the President vacated the Chair which was taken by the Honourable Sir David Devadoss.)

I asked for the figures of recruitment from each province. The reply that I received, shows that of about 94,000 people that were recruited, roughly speaking, 53,500 or about 60 per cent. were recruited from the Punjab. The United Provinces supplied only a little over 12,000 or about 13 per cent. and so on. This shows that recruitment is being carried on at the present time in connection with the expansion of our forces on the same basis on which the Regular Army is recruited. If one looks at the figures supplied in the Report of the Simon Commission regarding recruitment from different provinces one realizes that the percentages of recruitment from the various provinces are virtually the same as those that exist in the Regular Army. I should have thought that when the armies were expanded in view of the repeatedly expressed desire of the public that new classes and areas should be given opportunities of entering the army the Defence Department would take account of the public wishes in recruiting new men ; but unfortunately the old policy is still being adhered to. Indeed, it seems to me that this policy has affected recruitment for the Indian Territorial Force also.

Since the war broke out I understand that about nine I. T. F. units have been raised. I do not know whether they are in addition to the 94,000 men who have been recruited in the different provinces or are included in the figures supplied in reply to my question in November last. But I take it that the I.T.F. units are included in those figures. If this is so, it shows, roughly speaking, that out of the 94,000 men recruited only about 6,500 belong to the Indian territorial youths. That number I think is exceedingly small and I say this because the I.T.F. was established in order to enable those classes to take part in the defence of their country which are not enlisted in the Regular Army. Apart from this, Sir, the I.T.F. units themselves are being recruited from the classes which supply soldiers to the Indian Army. So far as I understand the information supplied to the public, only three of the new I.T.F. units are territorial, the Mahratta Light Infantry, the Bengal battalion and the Madras battalion. The remaining six units have been recruited from what are popularly known as the martial classes. I say popularly known not because this expression was invented, as the Defence Secretary said in another place a few days ago, by the politicians, but because it has become current. Really this is an expression that has been coined by the military authorities and brought into vogue by them but they have cleverly given it up now ; they have substituted the word “ enlisted ” for the word “ martial ” and left us to go on using the old expression so that we might continue to be influenced by the suggestions conveyed by that word. If any proof were needed of my assertion I would only ask the House to turn to the pages of Cole's Military Geography where the races enlisted in the Indian Army are spoken of as the martial or fighting races. This, however, Sir, is a digression. My main point is that owing to the changes that have taken place in course of time in the basis of recruitment large areas of this country and a very large proportion of the population have been completely deprived of serving their country in times of need in a military capacity. A great injustice has been done to us and I venture to think that it is urgently necessary that the old basis should be changed at the present time. During the last Great War when a large army had to be raised the old system had necessarily to be given up or modified because the few classes from which soldiers are recruited could not supply the requirements of the army. At present we have not recruited as many men as we did in the last

[Pandit Hirday Nath Kunzru.]

war, but as recruitment increases I have no doubt whatsoever that the old policy will have to be abandoned or partially suspended as it was between 1914 and 1918.

Sir, when complaints were made that the army was still being expanded on the old basis and that the foundation on which it rested had not been broadened, the explanation given by the military authorities was that in order to expand the army quickly they made use of the regular soldiers in order to provide a nucleus of trained men in every new unit. The system employed is, briefly speaking, this. From the units belonging to a regiment a certain number of men are selected. They are then included in a new unit to which untrained men are admitted. Roughly speaking, if a regiment consists of five active battalions and a sixth active battalion has to be formed about 450 N.C.Os. and Indian soldiers would be supplied by the five active battalions in equal proportions and about 250 new men would be mixed up with them in order that they might be rapidly trained and imbued with the traditions of the Regular Army. In other words two-thirds of the men are taken from existing units and one-third from the newly recruited troops. This method it is claimed makes it necessary that the new men should belong to the same classes to which the trained soldiers taken from the existing units belong. Now this system may succeed in answering the purpose of the military authorities if the expansion is confined within small limits but I am quite certain that if a large expansion takes place it will have to be given up. Apart from this, Sir, if India is ever to be a Dominion, if the British Government is sincere in its professions it should follow a policy which will enable all provinces to take an honourable part in the defence of the country. If we are to become responsible for maintaining the integrity of our country is it not necessary that the area of recruitment should be widened; that increasing numbers of men should become accustomed to the idea of rendering military service and that our potential enemies should realize that in case they follow a policy of aggression India would be able to put into the field sufficient men to enable them to realize that aggression would not pay?

I will say nothing, Sir, about the amendment of which His Excellency the Commander-in-Chief has given notice. But I shall listen with the greatest interest to what falls from his lips. As we are all anxious to hear what he has to say I will not continue my remarks any more. But I should like before I sit down to request him to view this question in the same spirit in which he viewed the request that we made to him yesterday. India has to be modernized in every way. Its army too must therefore be placed on a new basis. The caste system is breaking down throughout the country. Why should it not break down in the army? Why should not the army respond to the changing circumstances of the country and thus be truly representative of the life and spirit of the country at large?

THE HONOURABLE THE CHAIRMAN (The Honourable Sir David Devadoss): Resolution moved:

"This Council recommends to the Governor General in Council that the additional forces required to expand the army which have hitherto been recruited from a few classes and areas only be in future raised from all classes and provinces in adequate numbers."

To this there is an amendment in the name of His Excellency the Commander-in-Chief and I call upon him to move it.

(At this stage the Honourable the President resumed the Chair.)

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, I move:—

"That for the original Resolution the following Resolution be substituted, namely:—
This Council, while recognizing that, to begin with, the army could be most speedily expanded only on the existing basis of recruitment, recommends to the Governor General in Council that the army authorities should now review sources of manpower throughout the country and should exclude no class or area from consideration for recruitment in the formation of new units."

Sir, I am entirely in the hands of this House and if they wish me to speak now I will do so; but if they would rather that I reserved my remarks till a later stage I am equally willing to do so.

THE HONOURABLE THE PRESIDENT: It is the usual practice after the main Resolution is moved to move the amendment or substituted Resolution and I will be glad if you will at this stage move your substituted Resolution.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, in moving this amendment I would like briefly to review the existing situation and also how that situation developed. We all know that the Indian Army as it exists today has its roots very far back, really in the dim and distant past. We also know that many of the units which are in that army today are really the direct descendants of those armies which fought backwards and forwards across India throughout many centuries. Sometimes they fought among themselves as to who would have the power in this country. At other times they fought against intruders who tried to force their way through the mountain barriers of the North West or tried to land on the southern and eastern coasts of the country. Well, we need not concern ourselves now with the rights and wrongs of those old wars. All we are concerned with is their effect on the composition and organization of the army today. As you know, for the last 70 or 80 years or so, within the boundaries of India proper there have been no real wars. Armed strife has been absent. This cessation of armed strife in the country had a very direct and growing effect on the composition of the army and I would like to say here that my Honourable friend the Mover of the Resolution in his very interesting speech traced one aspect of the development of the army and traced it as far as I know very accurately and very logically. However, there are other factors and I propose, with your permission, to set these in front of you now.

As the Honourable the Mover of the Resolution said there were at one time three distinct armies in India. The Madras Army, the Bombay Army and the Bengal Army. The Bengal Army, the latter included of course the Punjab Army. Each of them had a Commander-in-Chief and each had its own headquarters staff. Each of these armies was recruited from the Presidency to which it belonged and, broadly speaking, those three armies between them represented a very good cross section of India's fighting men at that time.

With the coming of peace within the country itself and the removal of war and the threat of war to the North West, a change came over the composition of the army. The chief effect of this change was that the armies of the South, the armies of Bombay and Madras, tended to become rusty, as one might say. An army is very like a sword. It does tend to lose its temper and its edge if it is laid by too long. For reasons which we need not go into here—one of the chief reasons being the difficulty of moving troops from the South to the North—railways and roads were non-existent then or there were very few of them—these two armies undoubtedly did lose their temper. They deteriorated. I was a natural process and was due to no fault of the men composing those armies. One very important result of this deterioration was that the officers

[His Excellency the Commander-in-Chief.]

of those armies also tended to deteriorate. That was natural too. The keen officer, the very active officer, had opportunities of service and distinction in the North and the less keen naturally gravitated towards the more easy life of the South. That, again, had an effect on the efficiency of these armies. I am talking of very early days. Officers not as good as in the units of the North tended to increase in the units of the South and that again tended to make those units less efficient than the others. That again is a natural process. It is a process which might have been stopped, I grant. But it was a gradual process. It was of course open to very long-sighted men to have sensed what was going on at that time. I myself joined my regiment 37 years ago, when it was in the process of conversion from a battalion of Madrasis to a battalion of Punjabis. That was in Lord Kitchener's time. As a matter of fact, it is so long ago that I do not think I will hurt anybody by saying now that that battalion of Madrasis at that time was undoubtedly not fit for war. That was not their fault. But it is a fact and I give it as an instance of what has occurred over a long period of years. I think I am giving an accurate picture when I say that it is one of the main causes of the present constitution of the Army in India. On the other hand, the armies of the North were almost continuously employed in fierce fighting along a very turbulent border or in preparing to repel the periodical threats of invasion from the North West and Central Asia. This active life and continued use enabled them to retain their temper and they did not deteriorate. But the point I would like to make is that, so far as I know—and I think I am correct—there was no deep laid or malicious plot to emasculate the armies of the South. I can find no evidence of that anywhere and I think that the process I have described to you is a sufficient and logical explanation of how this transformation came about. As always, it is quite easy to be wise after the event. I would like to say here, once and for all, that the soldiers of Northern India made the fullest use of the opportunities thus offered to them and the record of their gallantry and devotion to duty is second to none and India I am sure nobody will deny it—owes them a very great debt. The raising of new units and new classes will not curtail those opportunities, and we shall always try to make the fullest use possible of these well-tried races. In spite, however, of the greater opportunities for service and training afforded to the men of the North, the War of 1914-18 showed very clearly that the older but by that time less well known classes had by no means lost their spirit. The exploits of the Garhwalis and Jats in France and Flanders, and of the Mahrattas in Mesopotamia and the steady gallantry of the Madras Sappers and Miners on many battlefields showed that these old classes were still capable of fighting side by side with anybody else. In the War of 1914-18 expansion, generally speaking, followed the lines of the existing class composition of the army. This again was natural, although whether it was right or not is a matter of opinion. It was natural, I think, and I will try to show why later. After the War of 1914-18 the army was drastically reduced and became much smaller than it had been before that war or indeed than it had been for many years before that. Money was very short, and the then military authorities had the greatest difficulty with the funds at their disposal in maintaining an army at all, or certainly an army worth the name, an army of any real value. In these circumstances one can hardly blame them for clinging to those races and classes which had proved themselves as soldiers for a long period of years, instead of launching out into experiments with less well-tried material. Those who would condemn them on the ground that the policy followed was neither long-sighted nor logical should, I think, have a more practical appreciation of the circumstances in which those authorities acted to the best of their lights for

the good of the State and made the most of the meagre resources that were afforded to them.

Let us now turn to the situation as it is today. Speaking generally, the class composition of the Indian Army at the beginning of this war did not differ very much from what it was at the beginning of the War of 1914-18. But it soon became obvious that in India, as in some other parts of the British Commonwealth, a speedy and vast expansion of the armed forces will be necessary. And here I would like the House to consider for a moment how technical and complicated the process is of raising or expanding an armed force. It is a very delicate and complicated process. To form new units, as my Honourable friend the Mover of the Resolution has explained to you, one must have a leaven of trained officers and trained non-commissioned officers. One cannot just say, "Collect a thousand men and you will have a battalion". I wish one could. That would make things very easy. The idea that all that is required in the forming of new units is to collect the requisite number of men, arm them, clothe them, teach them how to stand in line or march in threes, is very prevalent even in England even at this stage of the war as I know from my own experience, and is not entirely absent in this country also. Of course it is a completely erroneous idea and bears no relation to facts at all. A modern unit, say a battalion of infantry, is a complicated and intricate fighting machine and it takes many months to put a machine of that sort into running order. Generally speaking, as you have already heard, the Indian Army is organized on a class basis. That is to say, we have units—they may be battalions, they may be companies, they may be squadrons or they may be platoons, but in each of these units, the men consist of one class only. For instance, in one battalion there may be a company of Sikhs, a company of Muslims, a company of Mahrattas and a company of Dogras. But the companies are self-contained so far as their class composition is concerned. This system is one of very long-standing and you have heard how it came about. I think it owes its existence chiefly to the difficulties of administering a unit that contains men of different habits, creeds, castes and ways of thought and language. That still is a very great difficulty in India. I do not think anybody can deny that. I do not say that this system is immutable. It has been and is being modified in certain directions already. The Indian Military Academy at Dehra Dun is an outstanding example of this modification, and I believe that considerable progress in the abolition of class exclusiveness—I think we might call it that—has been made in the Royal Indian Navy, in which the necessary common basis has been obtained by insisting that every recruit shall either have a thorough knowledge of English or Hindustani and, perhaps more important still, that he is prepared to accept one standard ration when he joins. The application of these requirements however to a body of the size of the Indian Army is I am afraid at the present moment impossible. I do not think it is a practical proposition. The Indian Navy is a very small affair compared with the Indian Army and to attempt to introduce radical alterations in the system of army organization in the middle of a world war would I think be a most hazardous experiment. It is not one to which I in my present position of responsibility for the army could agree. In theory a common system of enlistment, irrespective of caste or creed, has undoubtedly much to recommend it. Nobody would deny that, but for the moment I think we must build on what we know to be firm foundations. It is for these reasons that the first expansion of the army in this war followed the traditional lines and consisted largely, but by no means altogether, of the duplication of existing units and the enrolment of many additional men from classes already enlisted in the army. But progress has been made in the enlistment of other classes. Last week I was in Bihar and Bengal and I was privi-

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leged to see the first Bengali regular unit, a battery of heavy artillery. It was only raised a few months ago but it is already carrying out a most important task in the defence of our seacoast. I was very gratified to see the progress made by this unit and I was very impressed by their physique, their keenness and general efficiency. It was a most promising start; it is a small start, but it is a start. I also saw a territorial force battalion of the Hyderabad Regiment. Although that battalion belongs to the Hyderabad Regiment as a matter of fact it is exclusively recruited from inhabitants of the Province of Bihar. It has in its ranks classes of which I am ashamed to say I have never heard. It also impressed me considerably. That battalion comes from the Province of Bihar and so far as I know, previously to its enlistment or to its constitution, there were no enlistments from the Province of Bihar at all. I also saw a battalion of Madras Territorials. They were also fulfilling an important role, guarding railways and various strategic points. They were only raised a few months ago and they too were a most promising unit. I might perhaps mention here as a matter of interest that since the war began the strength of the Madras in the army has risen from something like 4,000 to about 10,000 and is being still further increased at a rapid rate. Madrasis are of course not a new class. They are one of the oldest, in fact the oldest, but as you know I have already explained the reasons why they had to some extent fallen into disrepute. I think this increase is most gratifying and striking. The ratio of Madrasis in the army as compared with other classes is now about double what it was before the war began. I do not want to give the actual figures. Now the same process is going on with other classes, but it is a slow process, because there are no established units of those new classes from which the nucleus of Viceroy's commissioned officers and non-commissioned officers can be drawn, and as has already been explained to you, this nucleus is an absolutely essential component of any new unit. There can be no doubt about that. The same system is followed all over the world, whether in England, where I saw it going on all last summer, or in India or anywhere else. This nucleus for new classes must perforce be drawn from units of the older classes, and that is being done. And these men, these Viceroy's commissioned officers and non-commissioned officers will remain in these new units until the new classes can find their own leaders, which is not a very long process in war. It can be accelerated and is being accelerated. With our present system of class composition—and as I have already explained to you that system is not capable of drastic alteration during the war—I think it is essential that men of each class should have their own leaders with whose habits and temperaments they are familiar rather than have over them men, who, though Indian, may perhaps be alien to them in speech, creed and other ways. That is a logical consequence of the system, and as I say the system is not capable of alteration at the moment. For instance, last Monday at Jhansi I saw a newly raised regiment of the Indian Field Artillery. That regiment was composed of Madrasis and Mahrattas. The Viceroy's commissioned officers, the subadars, jamadars, havildars and daffadars, they were all Punjabi Mussalmans and Sikhs drawn from existing units. Well, that cannot be helped. They have to be there for some months, and the regiment, considering the short time it has been raised, is extremely efficient already. But I am quite sure, speaking from my own experience, that it will be more efficient and even happier when it has its own Madrasi and Mahratta non-commissioned officers and Viceroy's commissioned officers. I only give that as an illustration of how the process works.

Well, I will not trespass any more on your time, but I hope I have shown the House that I have a very real sympathy with the conception of my Honour.

able friend the Mover of the Resolution. I do not really differ from his ideas as to the future expansion of the army, although I may differ as to the method in which it is carried out and the time which it may take for the army to reach the ideals which he has so ably put before you. The Indian Army today is an organization of which I am sure we can all be equally proud and fond, and nothing should be done or will be done so far as I am concerned which might prejudice its solidarity or efficiency. In conclusion perhaps I may mention that I have already issued instructions that the old Madras Regiment, which finally disappeared from the Army in 1926, shall be revived and restored and placed in the *Army List*. The first battalion of this regiment which is about to be raised now will be a regular battalion of course and will carry on its colours the battle honours of the old Madras line, some of them going back two hundred years. And I hope before long to be able to ensure in a similar fashion the permanent representation in the *Army List* of other provinces. Sir, I hope the House will find itself able to accept the Resolution in its amended form as suggested by me. (Applause.)

THE HONOURABLE THE PRESIDENT: The debate will now proceed
12 NOON. both on the original Resolution and the amendment
simultaneously.

THE HONOURABLE SIR A. P. PATRO (Nominated Non-Official): Sir, the Resolution as amended differs little from the original Resolution of the Honourable Pandit Kunzru. It begins with "to begin with, the army could be most speedily expanded only on the existing basis of recruitment". That is, the old basis of recruitment is to be adopted during the war time emergency so that it may be possible that speedy enlistment may take place. Sir, I had intended to speak very hard things about the army authorities for disbanding the Madras Army, but the speech of His Excellency the Commander-in-Chief has altogether taken away the wind out of my sails. What would have been a very critical speech has altogether been toned down by the very welcome observations in regard to the Madras Army of His Excellency. Sir, the Madras Army is the oldest in India. It has a history of 174 years, and the disbanding of the last of the Madras Army began in 1928 and in 1933 the last battalion was disbanded and the remaining battalions of the Madras Army were tacked on to the Punjab regiment. So the Madrasis who could not be used in their own province or elsewhere had to be tacked on, amalgamated, with the Punjab Army and thereafter they were known as the Punjab Army. Sir, I need not go into the glorious work which was done by the Madras Army all over the country. The Madras Army served in the great Mahratta Wars. General Wellesley in concluding the war against the Mahrattas spoke very highly—he was a very reticent General—but still he spoke very highly appreciating the work, the devotion, the courage, the hardships that they are able to endure, of the Madras Army. Not only that, Sir, but when we come to the most difficult times in India which the British had to undergo during the time of the rebellion and the Mutiny in 1857 and in 1859 it is the Madras Army that supported the British power and prestige in Bengal and in Northern India. The other races which are now most prominent before the military officers were not then much in evidence. It is that Madras Army that was brought up from Madras to Bengal and to Northern India in order to help the British to quell the rebellion. That they have done and there was eloquent testimony borne by the General in charge—I will read his own words. Lieutenant-General Sir Patrick Grant said:—

"The services in the field of the troops of this Presidency employed in the suppression of the rebellion and Mutiny are now a matter of history and the glowing terms in which they have been recognized must endure for ever, an imperishable record of the achieve.

[Sir A. P. Patro.]

ments of these noble soldiers. It can never be forgotten—though it is forgotten now by generations afterwards—that to their immortal honour the native troops of the Madras Army have been in the memorable words of the Earl of Ellenborough—“faithful found among faithless”. During the two years of the Mutiny 17,000 were enlisted and the infantry of the Coast Army attained the height of its strength, 52 regiments and four extra battalions.”

All these 52 regiments and the additional battalions have been disbanded not because they were useless or found to be inefficient, but because it was the policy adopted by the then military authorities that the Presidency armies should be abolished. The Madras Army worked in the North West Frontier, in Chitral, in Malakand and defended the frontiers.

THE HONOURABLE THE PRESIDENT: May I point out that there is no necessity to dilate on this point, because your point has already been conceded by His Excellency the Commander-in-Chief?

THE HONOURABLE SIR A. P. PATRO: But at the same time it is my duty to point out what the Madras Army was and the services it has rendered. As has been rightly described, the Madras Army, “the faithful among faithless”, was discounted. Now it is due to the efforts of the present Madras Governor, Sir Arthur Hope, a soldier-statesman, and the constant agitation put up by me, that the Madras Army is not forgotten. We have been agitating with a view to press on the attention of the Government that the services of the Madras Army should not be forgotten. I am glad to hear today the announcement made by His Excellency that an appreciation has been made and the Madras Army would be revived, a few battalions will be started with non-commissioned officers and subedars as a nucleus for the purpose of training other people. I quite realize that the modern army does not merely consist of numbers. It requires training, equipment, and so on. It is a very difficult matter and it cannot be accelerated as quickly as possible. All that can be done is a gradual development. We want the Army Headquarters and His Excellency to take an abiding interest in reviving the Madras Army and restore their credit and prestige. Recruitment is going on in the Madras Presidency. Some of us are personally interested in assisting recruiting, and it is the sons and grandsons of those who laid down their lives for the Government, for the country, that are now seeking to be recruited, to be re-established in their old places; they have had tradition and family prestige; and it is these young men who want to be enlisted as soldiers to be trained and equipped properly so that they may take their place side by side with the other parts of the Indian Army. The reasons given for disbanding the Madras Army are not at all sound. It is said because of the great distance between the south and the north. Yes, that is a great drawback. We in the south are suffering not merely in the matter of the army but we are suffering in the field of politics also, in matters of administration we in the south are treated as a backward people. But the intellect of the south has been predominant and the intellect of the south has been manifest everywhere wherever there have been opportunities. No doubt they are far from the throne of Grace. Therefore, Sir, this matter of distance is not at all vital. When the army could be taken to China, when they could be taken to the Second Burmese War, when they could be taken to put down the Boxer Rebellion, it cannot be said that arrangements could not be made for taking the Madras armies to the frontier. When the question of frontier unrest and frontier trouble emerged, the south has been forgotten and the north has been favoured. The north was not known at all at the time when the Madras

armies were winning their laurels. Therefore, Sir, it will be doing justice and it will be satisfying the aspirations of the military classes of the south that they should be restored to their former position and their enlistment should be in as large numbers as possible. I know I had a note that many retired subedars and retired majors whom I have met in the course of my recruitment campaign are willing to enlist themselves to train the young men who are coming in. It all depends upon the character and nature of the recruiting officer that you depute to the villages and other areas. I have seen some who were thoroughly useless as recruiting officers; they had not the power of persuasion or the power of talking nicely; and their attitude of arrogance only served to put people off. On the other hand, officers who are kind, generous and sympathetic attract more people to the booths. In fact, in one centre where the enlistment averaged 80, as many as 450 people came forward in response to a persuasive recruiting officer. Men with good physique, good training and character, and belonging to families which had served in the army before. Therefore, I say the enlistment will all depend upon the nature of the person whom you depute for the purpose of recruiting.

Therefore, Sir, whatever may have been our grievances in the past, now great light has been thrown by His Excellency the Commander-in-Chief which is doing justice to the Madras Army. I welcome that declaration very gratefully and I wish that hereafter at least the southern provinces will not be forgotten in matters relating to the Defence Department, though we are still suffering under the Government of India in other matters.

THE HONOURABLE NAWABZADA KHURSHID ALI KHAN (Nominated Non-Official): Sir, I rise to give my wholehearted support to His Excellency the Commander-in-Chief's Resolution and in doing so I venture to submit that, while we in the Punjab have never objected to the recruitment to the army from other provinces in India, we have every reason to ask the Defence Department to maintain the present strength of the Punjab in the Defence forces of this country. Sir, it is a well-known fact that thousands of brave Punjabis laid down their lives for their King and country in the last war and are again doing so in the present struggle to defeat the forces of evil. As a Punjabi I am proud to say that in our great victories in the Middle East the gallant Punjabi soldiers have played a heroic part worthy of their past traditions in the defence of the Empire. I have every hope that when the new units are raised, the Punjab will receive its due share. Sir, I am very happy to find an assurance in His Excellency the Commander-in-Chief's speech that fullest use will be made of the soldiers of Northern India.

Sir, I support the Commander-in-Chief's Resolution.

*THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, as far as I have been able to understand His Excellency the Commander-in-Chief's Resolution, it does not essentially in principle differ from the Resolution that has been moved by the Honourable Pandit Kunzru. His Excellency the Commander-in-Chief in the substitute Resolution which he had moved has conceded the main principle of Pandit Kunzru's Resolution. If I may just invite the attention of the House to the substitute Resolution, after a preface, it goes on to recommend to the Governor General in Council that the Army authorities should not review sources of manpower throughout the country and should exclude no class or area from consideration for recruitment in the formation of new units. That, I think, is the

*Not corrected by the Honourable Member.

[Mr. P. N. Saprú :]

important suggestion in the substitute Resolution of His Excellency the Commander-in-Chief. We on this side of the House who have taken an interest in the question of a wider basis for the recruitment of the Indian Army are naturally pleased at the fact that our efforts have partially succeeded today. We find, Sir, that the attitude is not one of absolute negation. The attitude is one of accepting the principle. The difficulty, however, is, how is this principle going to be translated. Of course, we stand for a more rapid acceleration of the pace in this direction than His Excellency contemplates or visualizes. That reduces the difference between us and His Excellency to one of pace and not one of method. I recognize that the difference today in regard to this question between the Defence Department and the Opposition is narrower than it was before.

Sir, I would now like to submit a few considerations in support of the view that the army should be recruited from all classes. We are now thinking, Sir, in terms of a free India, of an India which shall be a free and equal partner in the British Commonwealth of Nations. Now, Sir, if we are going to have a free India, it follows that we must have a national army, an army which is recruited not from any particular class, not from any particular province, not from any particular community, but from all classes, all communities, and all provinces. It is a right and natural aspiration to serve in the army of one's own country. Princes and peoples who wish to serve in the army should not be denied the opportunities of so doing.

There is another consideration to which I might make reference. Why should the United Provinces or Bengal or Bihar or Assam, which contribute equally with the Punjab to central revenues, contribute to those revenues if their children are excluded from the army? Why should Bihar, which found until lately hardly any representation in the army, contribute equally with the Punjab to central revenues? Surely, the 42 millions of Bihar have also the right to expect that a part of the money which is spent for the prosperity of the Punjab will also be spent for the prosperity of Bihar. I say "prosperity of the Punjab" because the prosperity of the Punjab is bound up with army recruitment. Similarly, Sir, why should Bengal be made to contribute to the central revenues, why should Assam be made to contribute, when Bengalis and Assamese are excluded from the army and the army consumes the largest part of our revenues? I think the question has to be looked at from that point of view also. It cannot be said, Sir, that the Bengali or Assamese is unfit for military service. Old ideas of a professional soldier have disappeared. We are now having national armies. We have mechanized armies and I think that in Assam, Bihar and Orissa, you can get as capable men as those who come from the so-called martial races of the Punjab. Therefore, Sir, looking at the question from the point of view of the future of self-government in this country I consider it a very important Resolution. I do not want the future self-government of this country to be dependent upon a military class or a class recruited from a particular area or a particular province. Sir, we are thinking in terms of the national State, and we therefore necessarily stand for a national army. I quite recognize that this is war time and that the Defence Department is primarily concerned with somehow or other speedily expanding the army. But we are not merely thinking of the present war problems. We are also thinking in terms of post-war reconstruction and it is from the point of view of post-war reconstruction that I look upon the Resolution of His Excellency the

Commander-in-Chief as a distinct advance over position taken up previously by the Defence Department.

With these words, Sir, I support the Resolution of the Honourable Pandit Kunzru. I do not know whether he will press his Resolution, now that His Excellency has moved a substitute Resolution. I think that it is a question which will have to be settled by us. I support the Resolution.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, I rise to support the Resolution of my Honourable friend Mr. Kunzru. I congratulate His Excellency the Commander-in-Chief for the conciliatory tone of his speech and also for the amendment that he has put forward. This question has been debated in this House three times. Unfortunately, in the last two debates, we had a denial of our demand from the then authorities in the Defence Department.

Sir, I need not go into the past history of the military policy of the Government of India and of the British Government. I wish to write on a clean slate, and from that point of view, I really congratulate His Excellency the Commander-in-Chief on the way in which he has formulated his point of view. I may bring to the notice of His Excellency that his predecessor, in his broadcast last May, declared that in the expansion of the army, new classes would be taken. I am very sorry that the Defence Department has not given effect to the declaration that was made by Sir Robert Cassels. My Honourable friend Mr. Saprú thinks of the post-war effects. I am also thinking in terms of the present war effects and the post-war effects that are likely to follow if the old traditional policy of recruiting men from a particular province or area or class is continued.

Sir, His Excellency the Commander-in-Chief knows better than myself that in the present war the armies of the belligerent countries are not fighting amongst themselves but it is a conflict between nations. If India is expected to give help in men and material, Indians ought to be imbued with the idea that those who are fit for army service will not be denied by the authorities their proper share in the service of, not only their own country, but also in the service of the Empire and for defeating the aggressive policy of the totalitarian States,—I mean the Nazis. The question is how far that policy has been followed up till now. Since May, 1940, I find that various classes who are quite suitable, even according to the military authorities, have not been recruited in the expanded army. I may cite as an example that when I was working as a member of the Provincial War Committee in the Central Provinces and Berar, we had a complaint from the District War Committee of Khandwa that the Recruiting Officer had rejected about 200 Lodhis who formed the best material for recruitment. I may also bring to the notice of His Excellency the Commander-in-Chief my own experience about recruitment of Maharashtra Brahmins in the army. Two boys came to me for entrance into the army and they were refused by the Recruiting Officer because they were Maharashtra Brahmins. I carried on correspondence with the Adjutant General and the then Commander-in-Chief, and ultimately they were taken in the 44th or 45th Mechanical Transport Company. I may tell the House that those two boys have proved suitable and they have passed first and second in certain examinations that were held there. So my point is that unless you arouse enthusiasm amongst all classes in India and bring home that the present war is not a war only for the protection of Great Britain but also for the protection of India, that it is not only the concern of Britishers but of Indians also, you cannot get a sufficient supply of suitable recruits for your army. But

[Mr. V. V. Kalikar.]

the policy that has been followed is not only not liked by public men in India, it is against the interests of those who wish to prosecute the war successfully. I find from the amendment moved by His Excellency the Commander-in-Chief that to begin with the army could be more speedily expanded only on the existing basis of recruitment. I am sorry I cannot agree with the view that even to begin with the army could be expanded on the present basis. However, as I said at the beginning of my speech, we have to write on a clean slate. I wish that at least in the future in the expanded army all provinces and areas and all classes who can give you suitable men should be tapped, and nobody should be denied a chance of serving merely because he comes from a certain area. In his speech His Excellency said that he sympathizes with the motive of the Mover of this Resolution. I want to know from His Excellency whether he only sympathizes or is going to give effect to it?

THE HONOURABLE THE PRESIDENT: He has already given his views on the subject. He cannot do more than that.

THE HONOURABLE MR. V. V. KALIKAR: He has not clearly stated what policy he is going to follow. Further, so far as the expanded army is concerned I want to know from him what policy he is going to follow?

THE HONOURABLE THE PRESIDENT: In reviving the Madras Regiment he has given an illustration of his future activity, of all that he is going to do in the matter.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: May I say in fairness to the present Commander-in-Chief's predecessor that that expansion took place in his time and that it is therefore no indication of the policy of the present Commander-in-Chief.

THE HONOURABLE MR. V. V. KALIKAR: What I was going to say is this, I hope that in the interest of the Empire as well as of India His Excellency will see to it that people from all classes and from all areas who are suitable will be recruited in the army. I do not say you should impair the efficiency of the army by taking incompetent and unsuitable persons. Therefore I would urge that the policy that His Excellency has stated in his amendment should be immediately followed and given effect to. I do not want to dilate further on this point and I support the Resolution moved by my Honourable friend Pandit Kunzru.

THE HONOURABLE LT.-COL. SIR HISSAMUDDIN BAHADUR (Nominated Non-Official): Sir, although I have every sympathy with the original Resolution of my Honourable friend Pandit Kunzru we cannot ignore the hard and patent facts. Strictly speaking, we may be able to get the quantity but not the quality of recruits; and so far no difficulty is felt in getting the right type of recruits from the enlisted classes and recruits are pouring in from the N. W. F. P., Punjab, and other provinces. The right type of soldier to my mind is the man who is born in circumstances where leadership is most easily found, and whose profession has been soldiering for centuries and generations with tradition behind them—which is most important as the object of additional or otherwise recruiting and their training is to prepare them for field service. Every man is for his place in life. A soldier is a soldier and has the blood which evokes him to be a soldier to the last.

Now, Sir, I must thank His Excellency the Commander-in-Chief for bringing forward a Resolution to widen the scope of the original Resolution which is bound to have greater and far-reaching effects for the furtherance of the prosecution of war which my Honourable friend Pandit Kunzru had in view. I whole heartedly and with all the emphasis at my command support the Resolution moved by His Excellency the Commander-in-Chief. The Resolution is most opportune and has a great significance coming as it does from the highest military authority in India and it is the first time in the history of this House that the Commander-in-Chief has kindly moved such a far-reaching and important Resolution and I am sure it will have an everlasting effect on the generations to come. It is indeed a matter of great honour, privilege and pride for the Army in India in particular and the forces abroad in general to have such an able, experienced and brilliant talented Commander-in-Chief in the person of General Sir Claude Auchinleck. His distinguished career in the army and successes achieved in the Mohmand Operation in the N. W. F. P. in the past and the remarkable ability displayed in the latest operations abroad call for admiration. I am sure, and the House will agree with me, that under his impressing and inspiring and dashing personality the Indian Army side by side with the British and Dominion troops, shall give Hitler unrecoverable and decisive blows and thus uproot the evils of Nazism and help towards the restoration of a much freer and nobler world.

Now, turning to the Resolution itself, I must say that the army is not a place just to join for earning one's livelihood and only to do little parade but there is something else over and above that. More so in the present circumstances of this dreadful war the best of enlisted classes who have soldiering traditions would be more suitable than the people who have other avenues of employment open to them.

Sir, I would also like to mention that the present system of taking officers in the Indian Army by open competition is not satisfactory. They may be very high in academic qualifications, excellent in office work and smart in appearance and on parade but I am afraid it is very hard for them to take the place of those whose profession has been soldiering for generations. Military Crosses and V. Cs. have been won by young Pathans in the last war and in the Waziristan Operations, yet few candidates from my province present themselves for admission to the Indian Military Academy not because there are not many who would not like to become officers but because they nearly all fear—and their fears are justified—that they would not have a chance of admission owing to scores of competition-wallahs whose book learning and cramming is superior to theirs. Sir, I have been on the Interview Board for selecting boys for the army three or four times. I find, and from the Report of the Board it can also be seen, that the quality we are getting is not up to the mark. I asked a boy, "Are you keen on shooting". He replied, "No, I can't kill a bird and see its blood". What a hope! I do not think I am unjustified when I say that only people who are connected with the army should *mostly* be taken in the army taking into consideration the other avenues of employment in the civil departments to which others are usefully connected for centuries and are professional in that line and their pay and emoluments will not be less, if not more, than in the army. I would strongly urge that officers in the army should be taken in accordance with the number of personnel of their community and clans.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Non-Official): Sir, I am very grateful to His Excellency the Commander-in-Chief for the amended Resolution which really I think serves the purpose of our attempts during the last few years. During the Simla session of 1938 I moved a Resolution with the object of getting the Madrasis enlisted in all the arms

[Sir David Devadoss.]

and the then Commander-in-Chief gave a sympathetic reply, but owing to the policy then pursued and owing to the fact that funds could not be found for expanding the army, he could not accept the Resolution. Now, Sir, things have changed. Within one year of my moving the Resolution, the war came and the policy of the Government has been changed. I quite appreciate all that has been said by His Excellency the Commander-in-Chief with regard to the merits of the Madras Army. I have to make only one or two observations. As he rightly said, owing to the fact that the army was removed from Madras and recruitment ceased, the martial spirit of the people was very nearly killed; but now, I am glad to say, people are coming forward to offer their services to the Empire. The second point that I wish to press is this. If you have an army in the south you not only create a martial spirit but at the same time you improve the economic condition of the country. Now, as has been said by the Honourable Mr. Saprú, other provinces give their quota to the central revenues. When you place all the army in the North-West or in the Punjab, Punjabis are benefited in so many ways. You spend so many crores of rupees on the people in the Punjab by way of rations and other things. I strongly urge upon the Government and His Excellency the Commander-in-Chief that units, wherever they may be formed, may be placed in the south and in various places, so that the martial spirit of the people can be kept up and also the economic condition may be improved. The third point that I wish to submit is this, that there is no protection at all for Madras. Supposing there is an attack on Madras, all the army being in the north, there is no means of protecting ourselves and we have to wait for the army to come down from the north. No doubt the air arm could be sent for, but it will take time. As I mentioned on a previous occasion, when the "Emden" visited us in 1914—probably His Excellency might remember that; I do not know if he was here at the time—the "Emden" passed along the Madras coast and fired a few shots on the High Court and other places, but there was no body to say anything to it; and it seems that after the "Emden" had passed away they tried to fire an old gun and it could not be fired. It was not so when we were in college; we had a number of batteries on the seashore. There was the Clive's Battery, there was the Napier's Battery and there was another battery. There were three batteries on the beach. All that has been taken away owing to a change of policy. What I urge now, Sir, is that there should be an army in the south. We do not know how conditions are going to develop. There may be trouble in the East. We do not know how things will turn out. Therefore I would strongly urge upon the military authorities that this policy may be given effect to in course of time, but in the meantime the army should be quartered in the south—not only infantry and cavalry, but also the air arm—so that the south may be protected.

With these words, I have much pleasure in supporting the amendment moved by His Excellency the Commander-in-Chief.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, before putting forward my observations, I would respectfully ask His Excellency the Commander-in-Chief three questions so that I may be enabled to put forward my views frankly. One is, Sir, that while moving the amendment His Excellency used the words "to begin with".

THE HONOURABLE THE PRESIDENT: His Excellency will of course reply at the end of the debate. In the middle of a debate, it is unusual to answer questions.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I wanted to know whether the words "to begin with" mean throughout this war or for the first few months of the war. Then he used the words "on the existing basis of recruitment". I have not been able to follow His Excellency. What is meant by the existing basis? Will the product of the Dehra Dun Military Academy be employed as dignified jamadars and subadars or whether they will begin their life as platoon commanders or company commanders. I wish these two points to be made clear.

My Honourable friends Sir David Devadoss and Sir A. P. Patro observed that Madras should have their share in the enlistment. I support them. I say that as far as they are capable they should be recruited. Every province must have its share. But, Sir, while talking of the Punjab, I am not putting my views with prejudice as I am a Punjabi. But I want to say that in the Punjab we have to face extremes of climate. We have to face 118 degrees of heat and we have to face 26 or lower degrees of frost. I know, Sir, as a fact that in summer even the British regiments which are stationed near the Frontier stations—there is no European regiment which is located practically at the border—all British soldiers cannot stand the heat and a number of them get sunstroke. Therefore we must have the best material and such people who could stand the climate. Wherever you have extremes of climate, people in the fighting units must be those who can well stand such extremes.

The Honourable the President told me that His Excellency would deal with my question when speaking on the Resolution in reply. Therefore, Sir, I would say that there is a grouse among the officers who have been appointed from the Dehra Dun Academy and who feel that they are now practically dignified subadars and dignified jamadars and they are replacing the Viceroy's commissioned officers. Well, we all feel gratified to learn from His Excellency the Commander-in-Chief that the Viceroy's commission is not going to be abolished. That, Sir, is a step in the right direction, and as the Viceroy's commission is not being abolished, where will you put the Viceroy's commissioned officers? Hitherto they have been put as platoon commanders. Will you put them as such? I presume that as the Viceroy's commission has been restored, the product of the Dehra Dun Military Academy will be employed as company commanders as they used to be before and that will remove one of the grouses which the Indian commissioned officers have in that respect.

Then, Sir, I come to the point which my gallant friend Colonel Sir Hissam-uddin made, that the recruitment of commissioned officers by competition has failed. I think, Sir, the Colonel Sahib is wrong in holding that view, because the Dehra Dun Academy product have generally proved as good as the product of Sandhurst, and I do not think he has any ground for coming to that conclusion. Sir, times are changed now. As I observed yesterday, you require recruits with strong commonsense, education and intellect for the army owing to the army being mechanized. This view, Sir, is shared by many unit commanders and officers commanding the districts and divisions, that with the modernization of the army and owing to its mechanization, a different type of recruitment is necessary and therefore for the sake of efficiency of the army, people with strong commonsense and with better education and ability will be needed. I hope, Sir, His Excellency the Commander-in-Chief will let this House know his views on the subject, whether he agrees with the opinions of other distinguished army commanders.

My friend the Honourable Sir David Devadoss has mentioned that the army has been withdrawn from Madras and Madras is in danger from invasion. He referred to the bombardment by the "Emden." In reply to that, I say

[Rai Bahadur Lala Ram Saran Das.]

that Madras requires naval defence and not so much army defence. There are naval shore defence batteries in Madras and a naval base at Trincomali (Ceylon), therefore he need not be frightened about the safety of his province. (*Honourable Members*: "What about the air arm?" "What about Japan and Burma?") They have to come by sea and not by land and therefore the defence will be mainly naval. However, Sir, I wish to say that in the last Great War, owing to the existing policy for recruitment there were a large number of conversions from one religion to another. Many thousands of people got converted to Sikhism to get into the army. I do not want to go into details but facts are facts. Just as in the railway services many people become Christians to get better salaries, so many people not included in the listed classes became converted and got enlisted into the army. Sir, I do not think a sudden change of religion can invoke a martial spirit in a person. My Honourable friend Syed Hossain Imam referred to the Mazabhis. I may inform the House that if a man belonging to the sweeper class is converted and becomes a Sikh, he suddenly acquires a martial spirit. However, I am not here to advocate communalism. I know that many Commanders-in-Chief on the floor of this very House have observed that in the Defence Department politics have no place. I hope that policy will be carried on by our present gallant Commander-in-Chief. But, anyhow, if there is any change in policy, His Excellency will tell this House whether that policy will continue or not.

There is one more point and that is, Sir, as regards recruitment in general. If recruitment from other classes other than the listed ones is not introduced now, *i.e.*, during the present war, as from what we can guess, Sir, after this war finishes there will not be another great war for another 50 years. When the last war terminated, the military experts predicted that there would not be another war for another twenty years and their prediction proved correct. Now, of course, we are facing a much bigger war than the last one. Of course, I am a layman as far as military matters are concerned, but the past experience proves that there is not likely to be another war because all these Nazi fellows who are disturbing the peace of the world will have been swept out of existence and the financial, economic and other conditions will be such that it will not result in another war coming very soon. Therefore, Sir, I hope that this new change of policy in recruitment which His Excellency has been kind enough to sympathetically accept will not be allowed to halt for 50 years. Sir, my own opinion is that people from all classes, when given a chance, have done very well. Listed classes dislike new classes being recruited and so their recruitment and training must be done independently by impartial officers. There are exceptions. But there are also exceptions among the Britishers who come out from Sandhurst. Sir, after all India had her Empires in the past and had her own military traditions. Those military traditions can be revived under the able and expert guidance of our present Commander-in-Chief. I hope it will not be long before every man from every province who has the qualification to join the army will be there to defend India and the British Commonwealth.

THE HONOURABLE THE PRESIDENT: I may bring to the notice of Honourable Members that I propose to close this debate before lunch. His Excellency the Commander-in-Chief has an important engagement this afternoon and I must certainly give him an opportunity of replying to the debate. The same plea applies to the case of the Honourable Pandit Kunzru, who would also like an opportunity of saying a few words. You will kindly therefore bear in mind these remarks and make your observations as brief as possible.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan): Mr. President, His Excellency the Commander-in-Chief in his amendment has broken new ground and we all welcome the assurance that he has conveyed to this House. It

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was rather a difficult task to balance between the incessant demand that has been made from the other side of the House and the commitments which Government had to the people who have been tried and found to be good and efficient. I think he has struck a good balance between the rival claims. I have not much to say except to point out one or two salient factors. The army it has been stated by some speakers to my right is no longer a professional one, it is a national army that functions. Concurrently with this development there has been another development to which no reference was made. I refer to the fact that now the armies do not fight only on the battlefield but also in the workshops and supply depots. The predominant part played by equipment has been completely lost sight of. Everybody has stressed that the army is recruited from the Punjab and therefore a good deal of money is spent on the Punjabis. But no one referred to the fact that another part of the Defence expenditure which as far as I can guess—(because we do not get the facts about the expenditure on armaments)—is greater than the expenditure on the salaries of men, is distributed throughout India. So the factor on which stress was laid that the function of the Government is to spend the money in the country for the betterment of the people is being carried out in another respect. Sir, as far as I know there are no munitions factories in the Punjab. They have got grass farms; they have dairy farms but not munitions factories or clothing factories. All these things should be taken into account when we judge whether the expenditure on Defence is distributed in the country or not.

Sir, His Excellency the Commander-in-Chief said that Madras is to have a battalion of its own but I did not catch if Bengal is honoured similarly or not. I hope that the claims of Bengal will not be neglected in this connection. May I refer to a fact, Sir, which arises out of the terms of the amendment which His Excellency has moved that no class or area should be excluded from consideration? In reply to question No. 9 asked on the 19th November, 1940, the Honourable Mr. Williams said that in the Hyderabad Regiment (to which reference was made) certain classes are enlisted and that Muhammadans are only eligible from four districts of Bihar out of 16; and Bihar Brahmans to which community my friend the Panditji belongs are only eligible from one district out of 16. Brahmans of 15 and Muslims of 12 districts are excluded for recruitment in Bihar. But the Mazhabi and Ramdasi are eligible for recruitment throughout India—

THE HONOURABLE THE PRESIDENT: Will you please reserve these remarks for another opportunity?

THE HONOURABLE MR. HOSSAIN IMAM: I am not going to labour the point, Sir. I will simply state what are the facts.

THE HONOURABLE THE PRESIDENT: This is not the time for introducing such matters—the question of Hindus and Muhammadans.

THE HONOURABLE MR. HOSSAIN IMAM: I was referring to the impression that was likely to be created by it. This thing was raised by the Progressive Party, there was a rift in the lute between the Leader and the Deputy Leader; but I am not going to divert. After all Punjab is Punjab. It includes every Punjabi; it does not matter whether he is a Hindu or Sikh or

[Mr. Hossain Imam.]

Mussalman. They are all Punjabis. May I say, Sir, that in our opinion the new classes and communities and areas should displace in the first place the non-nationals in the Indian Army? It is only if they have replaced the non-nationals and given proofs of their ability on the battlefield that they can compete on equal terms with those whose loyalty, ability and past service have qualified them for service in the army.

With these words, Sir, I support the amendment moved by His Excellency the Commander-in-Chief.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, as between the original Resolution and the substituted Resolution moved by His Excellency the Commander-in-Chief, there is hardly any difference of principle. In essence they both amount to one and the same thing and if there is any difference at all it is due to the one consideration, the consideration which ought to over-ride all other considerations at the present moment, the consideration that the exigencies of war might require things to be done in a more careful manner than could be attempted in peace time. Therefore, Sir, I feel that His Excellency the Commander-in-Chief is thoroughly justified in advising that any change that might have to be effected in the constitution of the Indian Army should be postponed to a date when it could be safely undertaken. I am grateful to His Excellency the Commander-in-Chief for what he has said about the claims of Madras to recruitment in the army. I am glad, Sir, that His Excellency proposes to recognize a claim which has been ignored for a very long time, the claims of those people who have sacrificed their life and their everything for the country and the State. As has been admitted even by the military authorities, the Madras people have distinguished themselves quite remarkably in the battlefields not only in this country but outside India also. It is, therefore, just and fair that their claim should be recognized.

Just a word, Sir, about what was said by one of my friends on my right. It was said that since the various provinces in India make equal contribution to the revenues of the country, it is fair that the revenues should be evenly distributed, even where a part of them are spent on Defence. So far as the distribution of the revenue is concerned, I am at one with my friends if they mean only that part of the Defence expenditure should be spent so as to contribute to the prosperity of any particular province in India. But if they mean that equal money is to be spent on these provinces by distributing the portions of the army, by raising equal units of the army from every province in India, I dispute that claim, Sir. I dispute it not because it may not be possible for any province in India to contribute to the composition of the army in India, but because a claim for participation in the active service of the fighting forces should be based not merely on considerations of contributions to the revenue but on other considerations which are more relevant to the purpose, considerations of the valour, past traditions and martial spirit of the people of the province. I do not deny that all the provinces in India may be in a position to produce some good recruits for the army, but I say that the mere contribution of revenue by provinces should not be made the principle on which recruitment to the army is made.

While I am on this aspect of the question I would like to say one or two things about competition. I do not disparage the competitive examination for candidates who are to be trained for the officer grades of the army, but I say that mere efficiency in letters does not go to make an officer. It is true

that methods of warfare have changed, and that more brains are now required on the battlefield than was the case in the past. But I say that in spite of that the one quality which befits a man to be an efficient member of a fighting force is valour, is the martial spirit. And as regards martial spirit I will repeat the suggestion made by the Honourable Sir David Devadoss that the Government should take care that the military forces in India are stationed in different parts of the country. It is when people come in contact with members of the army that the martial spirit is kept alive. There is another reason why our military forces should be widely distributed in the country, not that they should be raised from every part. They should be stationed in all parts for the reason that the frontiers of India are not now confined to the four corners of India as in the past. The frontiers of India have been flung wide, with Singapore in the east and Port Said in the west. That means that our soldiers have to be acclimatized to various living conditions, and for instance it will be admitted that the climate of Singapore is more akin to that in Madras than to the climate of the Punjab.

Sir, I support the substituted Resolution.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar: Non-Muhammadan): If you will permit me, Sir, I will take just one minute of the time of the House. I would not like to go into the question before the House at all at this late stage. But as the Honourable the Leader of the Opposition expressed some doubts about the implication of some of the words in the amendment moved by His Excellency the Commander-in-Chief, and as I find that advertently or inadvertently some wrong emphasis was placed by the Honourable Mr. Padshah on the interpretation of those words, I would like to make a suggestion for the consideration of His Excellency the Commander-in-Chief, namely, that if he could agree to change the words "could be" into "could have been", I think much of the apprehension that we carry, in the matter with regard to implementing the terms of the Resolution would be removed. The amended Resolution would then read—

"This Council, while recognizing that, to begin with, the army could have been most speedily expanded only on the existing basis, etc., etc."

THE HONOURABLE THE PRESIDENT: Notice of His Excellency's amendment was given two days ago and it was open to any other Member to have suggested that amendment before.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: But doubts came into the minds of Members at a much later stage.

THE HONOURABLE THE PRESIDENT: I do not allow the amendment.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Sir, I listened with the profoundest interest to the speech of His Excellency the Commander-in-Chief. I hope I may say without presumption that he expounded his views with admirable lucidity and ability. He explained to us why the basis of recruitment had been changed and how necessary it was that the platoons should be commanded by officers belonging to the classes from which the men were drawn. With regard to the shifting of the centre of gravity to the North, he told us that as fighting ceased in the South and took place only on the North West Frontier of India it was only natural that recruitment should take place more and more in areas near the Frontier. Sir, the implication of this view is that only those people would make the best soldiers who live near

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the North West Frontier. Now I understand that men who are recruited from the South, say the Madrasis, have not been found less efficient for the performance of their duties by the army authorities than any other class. That is, I suppose, why their number has been increased. Those people, the Madrasis, do not serve all their lives in their own province. They are sent out on tours of duty. They serve in different places in the Punjab and serve even in Razmak. Obviously, therefore, if men who are recruited outside the Punjab are given an opportunity of serving round about those areas where they might be called upon to fight, it can hardly be said that military efficiency required that recruitment in provinces other than the Punjab should be curtailed to the extent that it has been. Take my own province, which was the main recruiting ground, along with a few districts of Bihar, for what was known as the Army of the Hindustan. In spite of the policy followed by Government during the last 50 or 60 years, I venture to think that the spirit of the people has not been destroyed. I hope it will not be said that the people of Oudh or of the province of Agra have lost any of those qualities which made them valued in the Bengal Presidential Army. I venture to differ from His Excellency the Commander-in-Chief and I think that the change in the basis of recruitment is not due just to natural causes. It is due also to the predilections of the military authorities and to the policies that lay at the bottom of the changes that have taken place. Let us consider the recruitment that has taken place up to the present time. From Bihar I think less than a 1,000 men have been recruited; from the Central Provinces about 900. It is difficult for us to believe that even at the present time it would not be possible for Government to get a larger number of soldiers from these provinces; but I fear that the necessary effort has not been made. Perhaps no province can be regarded as less martial than the Province of Bengal, yet the Bengal battalion was highly complimented by His Excellency the Governor of Bengal the other day on the efficiency that it had achieved. He expressed the view that that unit was in no way less efficient than any regular unit that he had seen. How has this result been achieved? I venture to think that it is due to the appeal to the patriotism of the Bengalis. This factor, I fear, has so far been ignored by the military authorities. It seems to me that they have thought more of familiarity with certain areas and thews and sinews and not at all of those imponderables which play a greater part in shaping a man's life and in inspiring him with heroism than purely physical strength and courage. I plead that these imponderables should be given greater weight to than has been attached to them up to the present time.

Sir, I was glad to hear from His Excellency that in principle he agreed with the demand made in the Resolution. The only question that remains to be considered then is to what extent progress can be made in the immediate future. It is on that question, Sir, that I should like to have a little more assurance from His Excellency the Commander-in-Chief than he has yet given to us. I ask for this assurance specially because of the remarks that he made with regard to the importance of having platoon commanders of the same class to which the men belong. I venture to differ from him here too, not because I am competent to express any opinion on the question myself, but because the policy followed by Government itself shows that a departure can be made from the existing practice without much difficulty. Let me first refer, Sir, to the Indian commissioned officers. Till recently it was the policy of Government to appoint them as platoon commanders. Had that system been in force at the present time the men could not have had platoon commanders of their own class. By adopting the policy of appointing Indian

commissioned officers as platoon commanders Government recognized that it was not necessary that the men should be led by officers of their own class. If that is so why should His Excellency the Commander-in-Chief insist on the platoon commanders belonging to the class to which the men only when they are non-commissioned officers? I venture to think that there is no logic in this insistence. Apart from this, I should like to draw the attention of the House to the fact that although the class system of recruitment prevails at the present time and we have class companies as a rule in our units, the headquarters company is a mixed company; men of different communities are mixed together. This is an important feature of the existing system. This again shows what Government can do when they make up their minds. Till about 1890 the men themselves did not object to working side by side with people who did not belong to their own communities. It was Government who deliberately changed the old system and introduced class companies on a very large scale. But even now I venture to think that if an appeal is made to the patriotism of the people at this juncture, it will be more easy to make them realize the desirability, perhaps I should say the necessity, of modifying their old habits and prejudices and working shoulder to shoulder with other people in the interests both of India and the Empire.

Sir, I have already said that the impression created on my mind by His Excellency the Commander-in-Chief's speech was that he agreed in principle with the view that I hold, but he thought that radical alterations during a world war would be "most hazardous". Now, Sir, my Resolution does not deal with the existing units at all. All that I ask is that a new system should be tried in the new units. I cannot therefore be accused of suggesting any method which would suddenly disturb the arrangements to which our soldiers have become accustomed during the last half a century. If in the new units however a departure is made from the existing system, I do not think that anybody could complain, for in the country at large, as I ventured to say in my opening speech, the caste system is far from being as strong as it was 50 years ago. When I read His Excellency's amendment the meaning that I attached to it was this. The military authorities were faced with an urgent task. They could not try a new experiment at such a time. They had to raise new forces in the most expeditious manner possible. They therefore proceeded on the existing basis of recruitment. To begin with, the continuance of the existing system was inevitable, but in future the claims of new classes and areas for providing soldiers for the army would be taken into consideration. That is how I interpreted the amendment. Certain measures were taken in the past, and they cannot be recalled but efforts will be made to follow a new policy in future. I need not say that I do not desire that the units that have already been raised should be disbanded. All that we are anxious about is the future. What I want is that, when new units are raised in the future, the policy which I am advocating should be seriously tried. It is on this point, I confess, that I found His Excellency's speech disappointing. I feel that His Excellency means to go ahead. I know that his task is not an easy one and I have no desire to throw an impossible burden on him. Not even the Commander-in-Chief can in the twinkling of an eye change arrangements that have subsisted for 50, 60 or 70 years. But I do want to feel that serious attempts will be made in the future to give an opportunity to the classes and areas that have unfortunately been neglected up to the present time for no fault of their own to serve their country by enlisting in the army and thus to spread the idea of military service all over the country. I hope I am not asking too much of the military authorities and that His Excellency the Commander-in-Chief will be able to give me the assurance that I have asked for. Should His

[Pandit Hirday Nath Kunzru.]

Excellency be able to give me that assurance I would not have the slightest hesitation in accepting his amendment. I welcome the spirit of the amendment. Till very recently such an amendment on the part of the army authorities would have been inconceivable. It speaks volumes for His Excellency's courage and desire for reform that he should have tabled this amendment. (Applause.) As he has tabled it, I take it that he means to do something. The impression that he has created in our minds is that he wants to carry the Legislature with him and to unite India in the prosecution of common tasks. It is this that emboldens me to hope that he will be able to reassure me on the point that I have raised.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, if you will permit me, I should like to thank the House for the sympathetic way in which they have received the amended Resolution which you permitted me to move. I should also like to thank the Honourable Members who have spoken for their very valuable suggestions which I can assure them will receive my very closest consideration. It has for me been a most particularly interesting debate and, when I have time to think over all the suggestions that Honourable Members have made, I am sure I will derive more value from this debate.

There are one or two minor points about which some misapprehension appears to exist which I might perhaps be able to dispel. The first is this about the question of Indian commissioned officers. We were not really discussing officers, but men, the rank and file more particularly. As you know,—I think I have already said so myself and it has been said many times before,—the only requirement in an applicant for a commission in the Indian Army is that he should be an Indian and that he should have the necessary qualifications. There is no other qualification and, as far as I know, there will be no other qualification. There is no question of any apportionment of a ratio of officers to this province or that province. An officer is an Indian as far as the army is concerned.

There is one other point that arose in the same connection and that is the employment of these Indian commissioned officers. My Honourable friend Lala Ram Saran Das is under a slight misapprehension on this point. These officers are no longer employed as glorified subadar-majors; neither are they employed as platoon commanders. They have taken their place in the army in an exactly similar position to any British officer or King's commissioned officer and they will in future be employed as company commanders or in the higher grades. So-called "platoonization" has gone; it does not exist any longer. And while on this officer question, there was another point that was mentioned by the Honourable Mover of the Resolution, it is perhaps a small point but it is an interesting one, and that was that if we could have as platoon commanders Indian commissioned officers who are of a different class and creed to the men, why do we now want Viceroy's commissioned officers to be of the same class and creed as the men? Well, I agree that is father a nice point and it is a perfectly logical question. But I do know something about this business. I have studied it for years and I can tell you, Sir, that very many of these Indian commissioned officers, the product of Sandhurst and the Indian Military Academy at Dehra Dun, many of them deplored the elimination of the old class of Viceroy's commissioned officers from the units to which they were posted. They in common with the British officers felt the need for this link between officers and men simply because in many cases they were not of the same class and creed as their men. I do not

think there is any doubt about that. However, that does not affect the main issue.

As regards the expenditure on the army, there were suggestions that it should be more evenly distributed over the country. I gather what was meant was that by more even recruitment throughout the country, the money spent on the army might be distributed more evenly throughout the country as between province and province. I think that is a misapprehension. Of the money that we spend on the army today a very small part really goes on the pay of the men. A tremendous amount is spent on equipment, on munitions and clothing of all kinds. That money, of course, is spent on the factories and these factories are situated all over the country.

As regards the location of the army, the Honourable Sir David Devadoss suggested that more troops might be located in the south. As a matter of fact, that is taking place now. The centre of gravity has shifted since the beginning of this war. For strategical and other reasons—the training of the troops is one of them—there are more troops stationed now in the South and West and East too than there were before.

Those are small points. It only remains for me to deal with the main point raised by my Honourable friend the Mover of the original Resolution, and that is, "Can I give a categorical assurance that what he desires will be carried out?" Well, Sir, after the speech which he has just made, I see no reason to change what I said before which was that in principle I find myself practically in complete agreement, but whether it is possible to put these principles into practice in the present state of affairs, I cannot say off-hand. I must have time to review what can be done and what cannot be done. I am deeply grateful to the Honourable Pandit Kunzru's realization of the responsibility which rests on me. I am deeply grateful to him for the way in which he has made it easy for me to reply to this debate. I thoroughly appreciate it. But I would like again to repeat to this House what I said when I first had the privilege of addressing it, and that is, that my primary task today is to get on with the war and before I do anything which radically alters the existing organization and arrangements, I must think about it very carefully and take the very best advice. I dare not do otherwise. My responsibility is too great. I have already indicated in the wording of the amendment that I intend by all the means in my power to go forward with this question. I have said—

" recommends * * * that the army authorities should now review sources of manpower throughout the country and should exclude no class or area from consideration for recruitment in the formation of new units "

Whether those new units can be formed on the lines which the Honourable Pandit Kunzru suggests is a matter which will receive my closest consideration. I have already said that the class unit principle is not immutable. But, here again, I must go back to what I have said so many times already today—the House will be tired of hearing me say it again—that I cannot risk any breakdown in the organization or efficiency of the army as it is constituted today. I will give you an assurance that I will give every possible consideration to the very valuable suggestions that Honourable Members have been good enough to give me today.

THE HONOURABLE THE PRESIDENT: Honourable Mr. Kunzru, are you prepared now to withdraw your original Resolution in favour of the substituted Resolution?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Sir, I am quite prepared to do so. Today, we can make absolutely no progress without the sympathy of His Excellency the Commander-in-Chief.

The Resolution was, by leave of the Council, withdrawn.

THE HONOURABLE THE PRESIDENT : Substituted Resolution moved :—

“That for the original Resolution the following Resolution be substituted, namely :—

‘This Council, while recognizing that, to begin with, the army could be most speedily expanded only on the existing basis of recruitment, recommends to the Governor General in Council that the army authorities should now review sources of manpower throughout the country and should exclude no class or area from consideration for recruitment in the formation of new units.’”

Question put and Motion adopted.

STATEMENT OF BUSINESS.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House) : Sir, one word with regard to the course of business. Monday the 10th, as the House is aware, is a non-official day. On Tuesday the 11th we propose to take up the Petroleum (Amendment) Bill, the Berars Laws Bill, the Assam Rifles Bill and the Indian Railways (Amendment) Bill, as passed by the Assembly,—Bills which have already been laid on the table of the House.

The Council then adjourned till Eleven of the Clock on Monday, the 10th March, 1941.

COUNCIL OF STATE

Monday, 10th March, 1941.

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.

ARBITRATION CLAUSE IN THE CONTRACT FORM OF MESSRS. RALLI BROS., LTD., FOR THE PURCHASE OF WOOL.

80. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Is it a fact that clause 15 of the contract form according to which Messrs. Ralli Bros., Ltd., purchase wool on behalf of Government lays down that should any dispute arise in respect of any thing relating to the contract, it shall be referred to arbitrators or umpires, as the case may be, who shall be European merchants residing at Karachi and who shall either be themselves members of the Karachi Chamber of Commerce or managers or assistants in firms which are members of the Karachi Chamber of Commerce ?

(b) Have the terms of the contract into which buyers of wool are required to enter been fixed by Messrs. Ralli Bros. with the approval of Government or independently of them ? What steps do Government propose to take to remove the racial discrimination referred to above ?

(c) Does the arbitration clause in the contract forms of the Indian Stores Department impose no restriction of the nature referred to in (a) above but allows each party to a dispute to nominate its own arbitrator ?

THE HONOURABLE MR. A. DEC. WILLIAMS : (a) Yes.

(b) *First part.*—No, independently of Government.

Second part.—The Government propose to take this matter up with Messrs. Ralli Bros., Ltd.

(c) Yes.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Were Government so long unaware of this clause in the contract form of Messrs. Ralli Bros. ?

THE HONOURABLE MR. A. DEC. WILLIAMS : I cannot say how long it took them to find it out ; but when they did find it out they decided to take action.

BUREAU OF PUBLIC INFORMATION.

81. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Have Government recently appointed non-Indian officers in the Bureau of Public Information ? If so, what is their number ? What is the salary given in each case and what are the duties assigned to them ? Why was the work not entrusted to Indian officers ?

THE HONOURABLE MR. E. CONRAN-SMITH: Yes, three such officers have been appointed recently. I lay on the table a statement showing their salaries and the duties assigned to them. In two cases a knowledge of certain foreign languages was required and Indians with the requisite linguistic qualifications were not forthcoming. The officer originally selected for the third appointment was an Indian who first of all intimated that he was prepared to accept it but subsequently refused the offer.

Statement showing the names, salaries and duties of the non-Indian officers recently appointed to the Bureau of Public Information.

Name.	Salary.	Duties.
	Rs.	
Major G. E. Wheeler	1,780 per mensem	He is employed on work which requires a knowledge of German, Turkish, Persian, Russian and French.
Monsieur Robert Victor	1,000 per mensem	He is employed on translation work in French.
Miss Cecilie Leslie	850 per mensem	She is employed in the collection and distribution of news and information to the Press and the public about the activities of Government.

BUREAU OF PUBLIC INFORMATION.

82. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is there a section in the Bureau of Public Information dealing with English newspapers? If so, what is the number of officers employed in it? How many of them are Indians?

THE HONOURABLE MR. E. CONRAN-SMITH: The Honourable Member is presumably referring to the Newspaper section the principal function of which is to make cuttings from all newspapers published in English for supply to the Departments of Government. This section consists of a Superintendent and a staff of ten clerks. It is directly controlled by an Assistant Information Officer and some of its work is also submitted to two other officers. All of them are Indians.

SHIPPING FACILITIES FOR THE IMPORT OF RICE FROM BURMA.

83. THE HONOURABLE MR. SHANTIDAS ASKURAN: (a) Will Government state—

(i) whether the rice crops in Bengal for the 1940-41 season would be about 40 lakhs of tons less than what they are in normal year and about 19 lakhs of tons less than the final forecast for the last year? If not, what are the prospects of the current rice crops?

(ii) whether the rice crops in Bengal are substantially less in the current season than what they are in a normal year? If so, will India be required to import a larger quantity of rice from Burma than the quantity imported under normal circumstances?

(b) Will the import of larger quantity of rice from Burma necessitate the berthing of a larger number of ships at the Burmese ports?

(c) What is the normal number of steamers employed in the carriage of rice from Burma ports to Indian ports during the busy season from January to June and how many of the steamers are requisitioned at present?

(d) Is it a fact that lakhs of tons of rice are awaiting shipment from Burma to India? Are steamers for their carriage from Burma to India not available? Have the steamers been requisitioned by the Government of India?

(e) What steps do the Government of India propose to take to place an adequate number of steamers for the carriage of rice from Burma to India?

(f) Has the carriage of foodstuffs been treated as a war measure in the United Kingdom? Do the Government of India propose to treat the carriage of rice from Burma to India as a war measure? If so, what steps do they propose to take to supply adequate tonnage for its carriage? Do they propose to give preference to the carriage of rice from Burma to India?

THE HONOURABLE MR. H. C. PRIOR: (a) (i) The yield of rice crops in Bengal during 1940-41 is likely to be 23·14 lakhs tons less than the normal, and 24·17 lakhs tons less than the final forecast for the last year.

(ii) *First part*—Yes.

Second part—This is probable unless the deficiency is made good by depletion of stocks and resort to other foodstuffs.

(b) If a larger amount of rice than usual has to be imported it will be necessary to berth a larger number of steamers.

(c) As the average amount of rice carried from Burma in these months is 956,532 tons it is estimated that in the past some 135 sailings were required for the carriage of rice from Burma to India during the busy season from January to June. It is not however in the public interest to disclose how many of the steamers engaged in this trade have been requisitioned by Government.

(d) Government understand that a considerable quantity of rice is awaiting shipment from Burma to India.

(e) and (f). Government are carefully watching the position. In the United Kingdom shipments of foodstuffs urgently required for the essential needs of the population are given priority. In so far as the carriage of Burma rice is necessary to meet essential needs of the population of India Government will do what is possible subject to Defence requirements to make available the necessary shipping.

CONTROL OVER MOVEMENTS OF SHIPS EMPLOYED IN THE COASTAL TRADE.

84. THE HONOURABLE MR. SHANTIDAS ASKURAN: (a) Have the Government of India any control over British ships registered in the United Kingdom and plying in the coastal trade of India or in the coastal trade of India, Burma and Ceylon?

(b) If so, are the movements of ships referred to in (a) restricted by Government in the same manner as the movements of the ships on the Indian Register are restricted by them?

THE HONOURABLE MR. H. C. PRIOR: (a) I take it that what the Honourable Member means is whether the Government of India have power to control the movements of ships registered in the United Kingdom and plying

in the coastal trade of India in the same way as the movements of ships registered in India are at present controlled under the Defence of India Rules. If so the reply is in the negative.

(b) While the Government of India have no such power to control the movement of such ships their movements are as a matter of fact subject to the control of His Majesty's Government.

REQUISITIONING OF SHIPS FOR THE CARRIAGE OF COAL.

85. THE HONOURABLE MR. SHANTIDAS ASKURAN: (a) Are the British ships on the Indian Register under the control of the Government of India?

(b) If the answer to (a) be in the affirmative, will Government state whether the ships on the Indian Register were requisitioned and placed at the disposal of the British Ministry of Shipping for the carriage of coal?

(c) If so, why?

(d) Is the outturn of rice in India substantially shorter than what it is in a normal year? If so, do Government propose to give facilities for the import of foodstuffs for Indians?

(e) Do Government propose to take back the requisitioned ships from the British Ministry of Shipping and to release the ships on the Indian Register requisitioned by them for carrying their normal operation and for carrying the rice from Burma to India?

(f) Will Government state when the ships on the Indian Register requisitioned by them will be released for the purpose of carrying rice from Burma to India?

THE HONOURABLE MR. H. C. PRIOR: (a) and (b). Yes.

(c) The need was urgent and it was necessary to requisition those ships which were most readily available to meet the need.

(d) *First part.*—The outturn of rice in India during the current year is likely to show a decrease of 13.5 per cent. as compared with the average of the last three years. *Second part.*—Government will adopt such measures as are necessary and possible to ensure that there is a sufficiency of rice in India to meet the needs of the people.

(e) and (f). The ships in question will be released from requisition as soon as the urgent needs of the war situation render this possible.

(The Honourable Rai Bahadur Sri Narain Mahtha stood up to ask the questions standing against the name of the Honourable Raja Yuveraj Dutta Singh).

THE HONOURABLE THE PRESIDENT: Have you been authorized by the Honourable Raja Yuveraj Dutta Singh to put the questions on his behalf?

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: No, Sir. I was authorized to do so on the former occasion.

THE HONOURABLE THE PRESIDENT: Then you cannot put them.

EMERY PAPER.

86. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: (a) Is it a fact that the Superintendent, Rifle Factory, Ishapore, to whom an Indian firm in Calcutta submitted a tender for emery paper along with some samples made the following remark in his note to the Assistant Director of Contracts:—

“This firm's products are acceptable due to the present emergency; if, however, British made products can be obtained, they are preferred”?

(b) Do Government propose to make an inquiry into the above, and to state the facts? What is the name of the Superintendent, Rifle Factory, Ishapore?

THE HONOURABLE MR. A. DEC. WILLIAMS: (a) Yes. A copy of the communication referred to was laid on the table of this House on the 5th March, 1941 in reply to question No. 44 asked by the Honourable Pandit Hirday Nath Kunzru.

(b) The facts have already been elicited. They are that the products of the firm in question were not up to the standard of the imported article and were to be accepted only if the better article was not available. This is in accordance with the Stores Purchase Rules which enjoin preference in respect of indigenous products only when quality is sufficiently good for the purpose in view.

The name of the Superintendent, Rifle Factory, Ishapore, is Mr. W. G. Jenkins though the communication referred to was signed by an officer serving under him.

PURCHASE OF KHADDAR, WOOLLEN BLANKETS, ETC., FROM THE GANDHI ASHRAM, GADRO.

87. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: Is it a fact that the Indian military authorities have purchased, or propose to purchase, khaddar, woollen blankets, and hand-woven stuff at the Gandhi Ashram, Gadro, Tharparkar District (Sind)? If so, for what amount the above materials have been purchased; and is it proposed to issue instructions to purchase Indian hand-woven products wherever available in India, and needed for war purposes?

THE HONOURABLE MR. A. DEC. WILLIAMS: No khaddar, woollen blankets or hand-woven stuff has been ordered from Gandhi Ashram, Gadro, Tharparkar District (Sind) but orders for hand-woven blankets are being placed on Directors of Industries of Provinces and Indian States, who are free to distribute these orders as they like. Indian hand-woven products are being purchased whenever possible and in some cases the army specifications have been relaxed to enable certain cottage industries to participate in the war orders. It is not considered necessary to issue any special instructions in this respect.

REPAIRS TO THE TAJ MAHAL.

88. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: Will Government state the present position with respect to the defect which was detected in the dome of the Taj Mahal in Agra? What steps have so far been taken in this connection; and what is the estimated cost of repair?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: A Committee of experts examined the Taj on the 21st and 22nd January, 1941. The Report of the Committee has now been received and is under consideration. No estimate of the cost of repairs has yet been framed.

IMPORT RESTRICTIONS ON ALUMINIUM OR ALUMINIUM MANUFACTURES.

89. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: Will Government state why have they stopped the import into India of aluminium or aluminium manufactures?

THE HONOURABLE MR. H. C. PRIOR: The attention of the Honourable Member is invited to the Press Note issued on the subject on the 2nd January, 1941, a copy of which is laid on the table of the House.

PRESS NOTE.

Import trade control on aluminium unwrought and manufactured.

The maintenance of ample stocks of aluminium for military purposes and, in particular, for the manufacture of aircraft for the British and Allied forces is a matter of vital importance and in order that this object may be in no way interfered with by demands from India on the supplies available in the world at large, the Government of India have decided to apply severe restrictions to the importation into India of aluminium in all forms from all countries, including the United Kingdom. Notifications are therefore under issue adding aluminium, unwrought and manufactured, to the Import Trade Control schedule and making these items exceptions to the open-general licences issued in favour of imports from various specified countries such as the British Empire, certain French Colonies and the Netherlands East Indies.

NEW DELHI;

The 2nd January, 1941.

EXCAVATIONS AT RAMNAGAR.

90. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: (a) Have Government selected Ramnagar, about 20 miles from Bareilly (United Provinces) for a course of training for officers of the Archaeological Department?

(b) Have excavations been carried out at Ramnagar, and, if so, since how long and with what result?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: (a) and (b). Yes. Excavations have been in progress at Ramnagar since the beginning of this cold weather and a few officers are under training there under the supervision of the Director General of Archaeology. I place on the table of the House a short note summarizing the results of the excavations up-to-date.

NOTE.

The latest finds at Ramnagar indicate that the latest settlement on the western part of this city may be assigned to the 8th Century A. D., particularly on the evidence of hoards of Indo-Sassanian coins known as Gadhaiya and the inferior quality of the sculptural fragments which indicates the degeneration of art after its climax in the Gupta period. The second stratum which comprises of some jerry-built structures may be assigned to the 5th-6th Century A. D., while the third stratum, which is now being exposed at a depth of nearly 10 feet below the surface, goes back to the 4th Century A. D. Trial excavations on an isolated mound in the eastern section of the city have confirmed the idea that that part of the city was abandoned earlier and that antiquities of the early

centuries of the Christian era may be found on the surface. Several scores of coins of the Mitra rulers, Guptas and Indo-Sassanians, some beautiful seals of officials and private persons, terracotta figurines of different periods between the Sunga and early mediæval periods and a bewildering variety of pottery, which is being studied for the first time, are among the main finds. Special mention may be made of beautiful earthen bowls with stamped decorations hitherto undiscovered in any other site in India.

A large temple of the Gupta period with three terraces rising to a height of nearly 30 ft. has been carefully examined and reveals the constructions of at least four different periods. Among the structures brought to light in the main site may be mentioned several blocks of buildings containing over a dozen houses of the last period of occupation with several streets, lanes and alleys. The examination of the lower strata is confined to a limited area where a number of shrines lining a street belonging to the 3rd-4th Century A. D. have been found. Besides three Assistant Superintendents and two Government scholars, three scholars from Indian States are at present receiving training at the excavations.

FLYING TRAINING FOR BURMESE CADETS.

91. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: Is there any proposal before Government for the training of Burmese cadets for air force training in India? If so, how many of such Burmese cadets are proposed to be trained; and what will be the approximate expenditure involved in the training which will be borne by the Government of Burma?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The Government of India have been asked to provide flying training for Burmese cadets and have agreed to do so on the understanding that facilities for training Indian cadets are in no way reduced. The number to be trained will depend on the supply of extra aircraft and instructors for the purpose by His Majesty's Government and the whole cost of the training—approximately Rs. 250 per flying hour will be borne by the Government of Burma.

GALLANT PART PLAYED BY INDIAN TROOPS AT SIDI BARRANI, ETC.

92. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: Will Government make a statement indicating the prominent part played by the Indian troops in the war in Eritrea, and other parts in Europe and Africa; and the description of Indian units involved in the successful prosecution of the campaign in these parts, so far as this can be done without divulging secret information?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I welcome the opportunity afforded me by the Honourable Member to pay a personal tribute on the floor of this House to the magnificent part troops from India have played in destroying the threat of Italian aggression in and from North Africa. Brigades and divisions comprising both British and Indian troops sent from this country, some of them as far back as the summer of 1939, have shown and continue to show a quality of training and fighting spirit second to none. For many months these troops had to fill a role involving waiting on the defensive in anything but comfortable conditions on the hot desert plains of Western Egypt and the Sudan. They faced an enemy immensely superior in numbers and possessed at that time of overwhelming superiority in the air. In conditions far from inspiring, our troops never flagged in their zeal, and, as more and more equipment of the most modern type was supplied to them, they trained day after day with a remarkable will and cheerfulness. The result is already history. When the time came, General Sir Archibald Wavell was able, despite the numerical superiority of the enemy, to take the initiative with confidence and to turn defence into attack.

The North African campaign will go down to history as one of the greatest achievements of the armies of the Commonwealth. British and Indian troops had the honour of dealing the initial blow which shattered the Italian threat to Egypt. When these troops under the command of Lieutenant-General Wilson made that swift sweep forward from Mersa Matruh in the early days of December the Italian morale in North Africa was unshaken. The forward troops of Marshal Graziani's army were encamped in force in and around Sidi Barrani, waiting the moment to launch an attack. Suddenly, in one of the most carefully planned battles, of all time, they found themselves overwhelmed in less than 48 hours. It must, I think be recognized that against a stouter enemy the almost miraculous perfection of what is now known as "the Battle of Sidi Barrani" might have been less overwhelming. Nevertheless it was the surprise achieved which was the main factor in that victory, and that surprise could only be gained and exploited by troops who knew their business down to the last man.

After a short, well earned rest, many of the units from India who had played so decisive a part at Sidi Barrani were rapidly transferred to the south, where their experience on the North West Frontier of this country would be of special value. This experience was peculiar to them. Their appearance in the Sudan was the signal for a general onslaught on Italian East Africa. When I broadcast shortly after my arrival in India a few weeks ago, I quoted a warm message of congratulation from General Wavell on the wonderful performance of Indian troops in what he described as "the most brilliant pursuit of the Italians from Kassala to Keren". I have lately received from him the following confirmation of that message—"As detailed information of fighting in Eritrea reaches me it confirms the magnificent performance of Indian troops at Agordat, Barentu and Keren. India may well be proud of these fine troops".

At Keren, the Italians have concentrated the cream of their East African army in an attempt to stave off collapse. Details of the part played by troops from this country in the swift drive which took our forces from the vicinity of Kassala to the precipitous and strongly fortified heights around Keren have been published in a series of Press Notes as fast as they have become available here. The story as it unfolds fully justifies the warm praise General Wavell has accorded our soldiers. The many acts of individual gallantry and determination by Indian troops of all classes are too numerous for me to mention here, and it would be invidious to select any particular one. Suffice it to say this. We all know in India how in inhospitable country with few communications, like the tribal areas of our North West Frontier, bold tribesmen armed only with rifles can and do give considerable trouble to better armed troops. It does not require much imagination therefore to visualize the difficulties of overcoming an enemy fully equipped with all modern weapons of war and firmly established in mountain fastnesses with his own internal lines of communication. When, added to this, we realize that here again the Italian possesses numerical superiority, the attack which has driven him back through Eritrea to the defences of Keren can be appreciated at its full value.

I will not at this stage say more, but I would like to pay a tribute to the Air Forces who have been operating with our troops in this campaign. Their efforts have been so effective that whereas only a short few weeks ago Italian aircraft continually harassed our troops on the borders of the Sudan, enemy machines now rarely appear and the perilous operations of our troops are being conducted without the additional handicap of inferiority in the air. The campaign in North Africa can well be described as one of the greatest co-operative enterprises of the forces of the Commonwealth. Indian and British

troops cracked the morale of Marshal Graziani's forces at Sidi Barrani. British and Dominion troops have swept the Italians from Eastern Libya. That splendid corps, the Sudan Defence Force, have led the van of the British and Indian assault on Eritrea, while South African forces have swept the Italians north from Kenya and have already captured the capital of Italian Somaliland. Indian troops are also, I am proud to state, giving invaluable support to the heroic activities of the Patriot Forces of Abyssinia, which are now harassing the enemy in the heart of that country.

I would like, Sir, to remind Honourable Members that Africa is not our only battlefield. The Royal Indian Navy have, since the outbreak of war, and particularly since Italy entered the war, performed an arduous and dangerous task in the closest co-operation with the Royal Navy. Its ships and its sailors have been continuously employed in guarding our trade routes and convoys in all conditions of weather and climate, and the climate of the Red Sea and the Persian Gulf, is not too pleasant in the height of summer, I speak from experience. We must not forget them.

Then we have our troops in Malaya and the Far East, who though not actually in a theatre of war, are many of them living under active service conditions, and enduring hardship and discomfort as well as separation from their relations and homes.

Lastly let us remember our land and air forces on our western frontier. Officially they are not at war and they get none of the privileges and concessions which quite rightly fall to the lot of their comrades overseas. All the same in actual practice, on that turbulent border, now as always they carry their lives in their hands and can never relax their vigilance. A soldier or an airman on the Frontier needs to be an expert at his work, and we should be thankful that we have such soldiers and airmen who without fuss or advertisement guard our marches for us day in and day out and in all weathers.

APPELLATE ASSISTANT COMMISSIONER OF INCOME-TAX IN ORISSA.

93. THE HONOURABLE MR. N. K. DAS: (a) Is Government aware of the fact that assesses in Orissa are called to Purulia and to Patna to attend the Appellate Assistant Commissioner of Income-tax and the Excess Profits Tax Officer?

(b) Is there any proposal before Government for issuing directions to the said officers to hear and decide appeals at the headquarters of the provinces of their origin, in course of their tour to these places?

(c) If not, do Government propose to inquire into the feasibility of the proposal contained in (b)?

(d) Will Government state whether there are any difficulties in following the proposal contained in (b)?

THE HONOURABLE MR. C. E. JONES: I shall answer all the parts together.

The Appellate Assistant Commissioner whose jurisdiction extends over Orissa was asked in November last to stop his tours with a view to economy. These orders have since been withdrawn and the Appellate Assistant Commissioner has resumed his tours so that assesses in Orissa will no longer have any ground for complaint.

The number of Excess Profits Tax cases in Orissa is too small to justify the appointment of a special Excess Profits Tax Officer for that province.

RESOLUTION RE INDIAN CIVIL SERVICE EXAMINATION.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) :
Sir, I beg to move :—

“That this Council recommends to the Governor General in Council to withdraw the orders (i) restricting the number of candidates appearing for the I. C. S. examination in India and (ii) fixing the provincial quotas.”

Sir, the Government of India recently issued a communiqué for the purpose of eliminating a large number of candidates who, according to them, are unsuitable for the I. C. S. examination at which they apply to appear. The sum and substance of the scheme is that, according to the Government of India, the Public Service Commission has found it impossible to hold the written and oral examination for a large number of candidates for the I. C. S. examination in Delhi. Moreover, they say that according to the examiners' report a large majority of the candidates are unsuitable for the Indian Civil Service. Therefore, Sir, they thought of this scheme and with the concurrence of the Secretary of State they have decided to hold the examination in the year 1942 under this scheme. Under this scheme they have fixed quotas for provinces and the total number comes to about 275. They have fixed 6 for Assam, 45 for Bengal, 23 for Bihar, 5 for Orissa, 11 for the Central Provinces and Berar, 50 for Madras, 48 for the Punjab, 6 for the North West Frontier Province, 22 for Bombay, 6 for Sind and 53 for the United Provinces. The remaining 25 seats will be at the disposal of the Federal Public Service Commission to be allotted each year among selected areas in their discretion. The Government of India state in their Communiqué that this system exists already so far as the Indian Police examination is concerned and they further state that this scheme was also applied to the examination for the I. C. S. from 1922 to 1928. If in any selected area the number of applicants is more than the quota fixed for that area, then the Selection Committee consisting of a member of the Federal Public Service Commission, who shall be the President and four members, the Chairman or failing the Chairman a Member of the Provincial Public Service Commission, a member representing the provincial University or Universities or the Department of Education who is to be nominated by the Governor in his discretion, an executive officer of wide administrative experience to be nominated by the Governor in his discretion; and the fourth member a non-official member to be nominated by the Governor in his discretion, and they have to weed out those unsuitable for the job and send the suitable ones for the I. C. S. examination in Delhi. Sir, this is the gist of the Communiqué that has been issued by the Government of India. Now, Sir, I want to know from the Government why, if this system was followed from 1922 to 1928, it was discontinued? Admittedly I think it was discontinued because it could not achieve the result for which it was brought into being. Now, about the quotas, in my humble opinion I think the quotas have been fixed arbitrarily, because I do not find any principle why a large number of candidates is fixed for a particular province, while the quota of other provinces is small. Have the Government fixed the quotas on population basis or have they fixed it because a particular province pays more revenue, or have they fixed the quotas because some provinces have got more universities than others? For instance, take the case of the Central Provinces and Berar. The Central Provinces and Berar has got only one university, while the United Provinces

has got three or four universities. Have they fixed the quotas according to the number of universities in the province? One cannot find any reason or any principle on which the quotas are fixed. I have not heard of fixing of quotas for candidates for appearing for a particular examination in any of the countries in the world. So far as my information goes, even in England there are no quotas fixed for say, Scotland or Wales or for counties of England because there are a large number of candidates coming for Home Service examination. In our universities I do not think—I think my Honourable friend Mr. Sapru will speak more authoritatively on this point—they have fixed quotas for examinations. They have not fixed quotas for particular colleges, but so far as the present practice goes, they take a test examination in colleges and the number that comes out successfully in that test examination is sent for the final examination. Sir, this is a novel scheme, and if I may be excused to call it so, it is practically nomination in a disguised form. When this scheme was published in the papers it was attacked by public men; it was very seriously attacked by the Bombay University and from the reports in the press I learn that they are communicating with the Government of India about this scheme and they are bringing pressure to bear on the Government of India to withdraw the scheme. Public men in India do not appreciate the motives underlying this scheme. Some of them apprehend that there is something dangerous in this scheme which proposes to have nomination instead of competition for open competitive examination for the I. C. S. My Honourable friend Mr. Hossain Imam is not here today, but I may tell him that the question I am now dealing with is not about communal representation in the services, but is about getting the best men from that particular community, because for that particular community reservation is already there. My object in discussing this Resolution is to get best men of best brains and capable of competing in the open competitive examination who will be able to stand the test and who will come out successful after fulfilling all those conditions laid down by the Public Service Commission. So my Muslim friends should not worry over this matter, but they should appreciate the spirit in which I am moving this Resolution and I hope they will support my Resolution. It is just possible that if this scheme is brought into effect, even in the minority community those who are well connected may come out successful in the preliminary selection and the best men who are poor, who cannot afford to placate this member or that member may not get the chance of coming out successful and appear for the I. C. S. examination. I therefore submit that my Muslim friends also should support my Resolution.

Sir, the difficulty is that, if we stick to this scheme, there is every possibility that we may not get the best men. It should not be our aim to create any class feeling in the I. C. S. cadre. The candidates who have passed the open competitive I. C. S. examination may look down upon those candidates, that is those new entrants who go through this preliminary test and come out successful in the I. C. S. examination. This Service has gained a reputation for efficiency in the whole world. This is one of the most important Services and it should be our attempt not to interfere with the efficiency of the Service by importing nomination in a disguised form. Sir, here is a competitive examination. Anybody who has got brains, anybody who has got capacity and who can stand the test, can come out successful, but it should not be our motive in framing schemes like this that some people because they have got a good background should be successful, while others who have got good brains should lose their chance because under the new scheme if they fail in the preliminary interview test they cannot appear for the I. C. S. examination. Sir, the quotas fixed for

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the provinces create another complication. Let us take the case of my own province which is called a backward province. You have fixed a quota of 11 boys for my province. Now, supposing 11 boys from my province do not come out successful in the preliminary interview test. Is it the intention of the Government that representation in the I. C. S. should be given to all provinces? I may further explain the point. Supposing 20 boys come before the committee that you have appointed under the scheme and none of them satisfy the requirements of suitability and the committee rejects all the candidates. Then there will be no candidate from the Central Provinces for the I. C. S. examination. But in fixing quotas there is an apprehension in my mind that you want that all provinces should be represented in the Service, whether the candidates coming from the provinces are good or bad. In my humble opinion, I would not like any unsuitable candidate from my province to go in for an I. C. S. job if he is not suitable for it.

I think these appointments are made not to give jobs to this province or that province but these appointments are made from the best of boys who come out successful in the open competitive examination, whether they come from Bombay or the United Provinces or the Central Provinces or the Punjab. Another thing that strikes my mind is this. Under the present conditions, we are not,—at least those of us who could send our boys to England for examination,—are not in a position to send them there for the I. C. S. examination. My Honourable friend Mr. Conran-Smith will remember that in 1936, Sir Henry Craik, the then Home Member of the Government of India, replying to the Adjournment Motion moved by Mr. Satyamurti as a protest against the action of the Secretary of State for issuing new regulations for taking British recruits into the Indian Civil Service, said that the Delhi examination ought to be the main source for recruiting Indians. Sir, with your permission I shall read a portion from his speech to show what he meant. He said:—

“The figures of the average of the last five years are rather striking. They show that 190 to 200 Indians compete in Delhi for three or four vacancies; whereas in London about 240 Indian candidates compete for fifteen vacancies. Obviously the scales are weighted very heavily in favour of the London examination. This is one and perhaps the most important matter in which the present system has failed to achieve its object”.

Further on, on page 153, he says:

“The Delhi examination has failed completely in its primary object of being the main door to Indian recruitment and of giving Indians, except those that are of the richer class, a reasonable chance of entering the Service”.

So the view of the Government of India was then that the majority of Indians should be recruited from India through the Delhi examination. Sir, in my humble opinion, I think if you put obstacles in the way of worthy candidates by enforcing this scheme, you defeat the very object which the Government of India had in view in 1936.

Then, Sir, I think there is another danger in the scheme, and public men in India should be careful to take full account of it and bring pressure to bear on the Government. Sir, if after an experience of five or six years after the scheme is brought into effect, unfortunately the efficiency of the Service is impaired, I am afraid the British reactionaries who are always there to block our progress will say: “Look here, we started an examination in India for getting the best people. We are not getting the best people from the examination in India and therefore we must not only decrease the number taken from

India but we must increase the ratio of the British element in the Indian Civil Service.” Sir, we all talk of Indianization and we have a right to talk of Indianization. We want that as far as possible without impairing the efficiency of any Service, Indians should have a major share in the Services in India. If this scheme is brought into effect and if unfortunately efficiency is impaired I am afraid we shall be giving a handle to the British reactionaries to refuse our demand.

The Government of India have fixed quotas for the provinces. I want to know whether the Provincial Governments were consulted when the quotas were fixed, because it is for the Provincial Governments also to consider whether the present system of examination is sound or not and whether it requires any revolutionary change. If the Government of India consulted Provincial Governments in this matter, I also want to know whether the Provincial Governments agreed to the scheme that has been propounded by the Government of India.

Another point is this. Why have the Government of India not taken the Central Legislature into their confidence? The Government of India could have brought a Resolution before the Central Legislature about the scheme and could have enlisted their sympathy if the scheme was sound. We were not given an opportunity of discussing the scheme before it was sanctioned by the Secretary of State and before final orders were passed. I have serious objection to the procedure that has been followed by the Government of India, because, this system of examination in Delhi has been in existence since 1922 and it has been very successful. We have not been able to find any defect in that system and the Government of India ought to have placed the matter before the Central Legislature and consulted them before taking the present step.

Under the scheme, the candidates will not have a fair chance at the preliminary selection examination because the avowed object of the primary selection examination is to reduce the number. I think the Government of India are tackling the problem at the wrong end. With some reforms in the examining agency, I think they would have been able to bring about the weeding out of unsuitable candidates—

THE HONOURABLE MR. E. CONRAN-SMITH: May I ask the Honourable Member to repeat that? I did not quite catch what he said.

THE HONOURABLE MR. V. V. KALIKAR: What I said was this. The candidates will not have a fair chance at the selection test or interview carried out by the Provincial Committee because, after all, the avowed object is to reduce the number of candidates. If there are candidates in excess of the quota, they will try their utmost to reduce the number. If the Government of India think they cannot manage the enormously large proportion of candidates, they should introduce some reforms in the examining system itself but they should not reduce the number in this way.

There are so many public examinations in India at which a large number of candidates appear, and only suitable candidates, who stand the test, can come out successful. If it is intended to weed out the unsuitable candidates, I think competition is a better form of selection. This system involves the principle of nomination and to some extent gives the go-by to the principle of competition.

Sir, I do not want to take the House into the past history of this examination, but I may submit that since the time of Lord Macaulay, who succeeded in

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introducing competitive examination so far as the I. C. S. is concerned in 1855 all the Public Service Commissions that have come out to India have been in favour of competition rather than of selection or nomination. The words used by Lord Macaulay at that time in the House of Commons were as important then as they are now. With your permission, Sir, I will read a sentence or two from the speech of Lord Macaulay, which he made then. He said :—

“ Under a system of competition every man struggles hard to do his best ; and the consequence is that, without any effort on the part of the examiner, the standard keeps itself up. But the moment that you say to the examiner, not ‘ Shall A or B go to India ? ’ but ‘ Here is A. Is he fit to go to India ? ’ the question becomes altogether a different one. The examiner’s compassion, his good nature, his unwillingness to blast the prospects of a young man, lead him to strain a point in order to let the candidate in if we suppose the dispensers of patronage left merely to the operation of their own minds ; but you would have them subjected to solicitations of a sort it would be impossible to resist. The father comes with tears in his eyes ; the mother writes the most pathetic and heart-breaking letters. Very firm minds have often been shaken by appeals of that sort. But the system of competition allows nothing of the kind. The parent cannot come to the examiner and say : ‘ I know very well that the other boy beat my son ; but please be good enough to say that my son beat the other boy ’.”

These remarks are always important in the eyes of the public men in India. Another English writer, Leonard deWhite—

THE HONOURABLE THE PRESIDENT : Your time is nearly up. You will have to bring your remarks to a close.

THE HONOURABLE MR. V. V. KALIKAR : If you will allow me five minutes, Sir, I will finish my remarks. This writer says that “ universal agreement is in favour of competitive examination as the safest mode of recruitment ”.

Sir, as my time is up, I just want to make out one more point before I finish. Sir, the I.C.S. people are appointed to very high and important jobs in the administration of the country. They carry on the administration of the provinces. They are appointed Executive Councillors in the Centre. They are appointed in the Political Department, and this Service, Sir, let me say to its credit, has produced the best men up till now. If by this scheme the efficiency of the Service is impaired, the blame will be laid at the doors of the Government of India and the Secretary of State and not at ours. Public men in India have condemned this measure and I hope the whole House will support me in this Resolution.

Sir, I move.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, the Honourable Mr. Kalikar has dealt very exhaustively with this Resolution, but before I go on to the points that I wish to raise I would like to ask the Honourable Mr. Conran-Smith whether universities and public bodies were consulted before this step was taken? Apparently the universities were not consulted. I happen to be a member of the Executive Council of the Allahabad university and as far as I know the Allahabad University was never consulted. If it had been I should have known, because I never found this item on the agenda of the Executive Council. Well, if the universities and public bodies were not consulted, then what is the reason for their not being consulted?

Perhaps Mr. Conran-Smith will also tell us why this step was taken without any reference to or consultation with public bodies which have a right to be consulted in regard to matters of this vital nature.

The second question I should like him to consider is this. What are the difficulties with the I. C. S. examination so far as numbers are concerned? How do numbers make the I. C. S. examination more difficult to conduct? So far as the written test is concerned, the candidates are charged a certain fee for it. You have examiners and you can appoint more examiners if the number increases. The real difficulty as far as I can see comes in in the *viva voce* test. The present position with regard to the *viva voce* test would seem to be this. Candidates who fail to reach a minimum standard in the written test are not sent for and only those who have reached a certain specified standard are asked to appear at the *viva voce* test. A *viva voce* test after a written test is a satisfactory test. I think the Honourable Mr. Conran-Smith knows what the practice is in the universities of Oxford and Cambridge. The *viva voce* is held after the written test, and it is generally held to determine a man’s class, a man perhaps on the border line ; should he get a first or a second. The *viva voce* helps the examiners to decide. They have the written papers before them and the *viva voce* is the deciding test. I know that the system so far as the I.C.S. examination is concerned is a little different. But here again you have the written papers of the candidates before you and you have sent for those who have satisfied a preliminary test. Therefore that system from the educational point of view is a more sound one than the one which has recommended itself to the Government. You want to eliminate candidates for the examination itself by this latter system of *viva voce* test first. That is I think what this Selection Board will do. It will rely, not on a written but mainly on an oral test. Now it is very difficult to estimate a candidate’s worth in an interview of five or ten or fifteen minutes. A candidate comes to you in a tie and collar and shirt, very neat, and he has a nice suit. Perhaps his father has a little money or he happens to be the son of Sir so and so or Rai Bahadur or Raja so and so. His father may have rendered very eminent services to the State or his grandfather was a talukdar and sanad holder. All these are qualifications in the eyes of the examiners. They note those qualifications and they start with a prejudice in the candidate’s favour. Then he may have been to an Anglo-Indian or European school. He speaks with an affected European accent. He can talk colloquial English and he can answer a few questions on current politics and current affairs a little satisfactorily. Probably his home atmosphere has been a little better than the home atmosphere of the village boy and you at once put him down as a candidate who is fit for entering a Service in which initiative, ability, driving power, energy and intellectual ability of a high order are required. Now that I think is a very unsatisfactory method of eliminating candidates. The poor boy, who is probably shabbily dressed, who has not had the advantage of a cultured home—who only gets the advantage of a cultured home after he gets into the Civil Service—the boy who has not these family advantages or traditions is at once put at a disadvantage by this system.

THE HONOURABLE THE PRESIDENT : Is that your experience of young men who entered the I.C.S. in the past?

THE HONOURABLE MR. P. N. SAPRU : Sir, I have come into contact with young men who enter the Civil Service and I know lots of them who come from very, very poor families, who after they get into the Civil Service marry into very rich families, who give their daughters to them in marriage. If they

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had not got into the Civil Service they would have remained as ordinary poor clerks with *dhotis* and *kurtas* and with no proper two meals a day. After they enter the Civil Service their whole outlook changes. I have a particular young man in mind who used to be a student of mine when I happened to be teaching in a part-time capacity in the University. I remember that boy used to come in a *dhota* and *kurta* and I would never have thought that he was any good if I had been an examiner in the Civil Service examination. He sat for the examination, he topped the list, he married very well. He is now in England and will probably be coming out to India shortly. If you had this system of preliminary examination, the poor boy would have had no chance, because—

THE HONOURABLE SIR DAVID DEVADOSS : You would have rejected him ?

THE HONOURABLE MR. P. N. SAPRU : Even I who always start with a bias in favour of poor boys might have been influenced by a good tie, by good socks, by well made shoes and that sort of thing. I do not look upon this preliminary test as a very satisfactory test. Another point that I would like to be considered is that too much power has been given to the provinces in regard to this matter. The composition of the Board is very unsatisfactory. A member of the Federal Public Service Commission will be the President, the Chairman or failing the Chairman a member of the Provincial Public Service Commission to be nominated by the Chairman—I do not want to reflect in the least upon the Provincial Public Service Commission, but the traditions have yet to be built up so far as the Provincial Public Service Commissions are concerned. The traditions of the Federal Public Service Commission are very high. I do not know whether you can say the same thing yet about the Provincial Public Service Commission. The constitution provides for a member representing the provincial university or universities or the Department of Education, to be nominated by the Governor in his discretion—I would like to emphasize the words “nominated by the Governor in his discretion”—an executive officer of wide administrative experience to be nominated by the Governor in his discretion. We know the bias of executive officers. They attach value to certain things which do not attract us very much—one non-official Member to be nominated by the Governor in his discretion. The Selection Committee will interview candidates assigned to that area and select those who are adjudged by them to be suitable for the I.C.S. up to the number prescribed for that area. I would say that the composition of the Selection Committee is very unsatisfactory. You have certainly—

THE HONOURABLE THE PRESIDENT : Is that covered by the Resolution ?

THE HONOURABLE MR. P. N. SAPRU : We attack the whole principle of the scheme.

THE HONOURABLE THE PRESIDENT : The Resolution is quite specific enough.

THE HONOURABLE MR. P. N. SAPRU : Barring a member of the Federal Public Service Commission and perhaps a member of the Provincial Public Service Commission—I am not quite sure about that—I do not think there is satisfactory representation on this Board at all. The Selection Board will be nominated by the executive Government in its discretion. I am frankly

opposed to this reservation for certain provinces of certain quotas. We have introduced the principle of communalism in our services. Now, Sir, we want to go a step further and we want to introduce the principle of provincialism also into our services. I said the other day that there is one thing I should like to see reserved in the future constitution of this country, whatever it may be, and that is the all-India character of the I.C.S. I think the all-India character of the I.C.S. will be affected if this system of provincial quotas is accepted, and on what basis are you going to reserve these quotas ? Assam is going to have 6, Bengal is going to have 45, Bihar with a population of about 42 millions is going to have 23, Orissa is going to have 5, the Central Provinces are going to have 11, Madras 50, the Punjab with a population of only 22 millions or so is going to have just two less than Madras with a population very nearly double that of the Punjab, the North West Frontier Province is going to have 6 and Bombay 22. Bombay has very nearly the same population as the Punjab and is going to have 22, whereas the Punjab is going to have 48. Sind is going to have 6, the United Provinces 53. That is the province with the largest population and the largest number of universities also and with two all-India universities also situated in the province ; it is going to have 53. Why these provincial quotas, why these arbitrary limitations ? If you must select why can not you select on an all-India basis ? Why must you say that there must be reservation, so much for this province and so much for that. If you accept that principle, you will probably have to go further and you should have divisional representation, district representation and you should have university representation, you should have taluka representation, tehsil representation, and you will carry the principle to ridiculous lengths. If Madras captures all the seats in an open competition, let it ; if the United Provinces captures all the seats in an all-India competition, let it. By fixing these arbitrary quotas you make it difficult for Madras, or the United Provinces or Bengal to capture all the seats and provincialism is going to be a factor which is going to be recognized so far as the future is concerned in the recruitment of what is and should remain an all-India service. If it is considered desirable to restrict the number of candidates for the I.C.S. examination, I suggest that there are indirect methods of doing this thing. Co-operate with the universities. We have in our province *bureaux* for advising students who want to appear for the I.C.S. attached to the universities. Make these bureaux work. Let there be greater co-operation between the Public Service Commission and the University Bureaux and the University Bureaux should as a policy, as a deliberate policy, discourage men who have no chance of success in the I.C.S. examination from sitting for that examination. The University Bureaux will be in a more authoritative position to do this work, for they will be composed of people who know these young men ; they know the worth and the value of these young men. These young men before they apply for the I.C.S. examination should get into touch with these University Bureaux. The University Bureaux should maintain contact with these young men and some system should be devised whereby these young men can be advised as to whether they should sit for the I.C.S. examination or not. A number of candidates sit for the I.C.S. examination who have no chance. If you only tell them that they have no chance they would not sit for the examination, but the man says “Let me try my luck”. We all believe in this country in *karma* and *kismet*. If the astrologer says that the stars are good and we may have a chance, we just sit for the examination. If you change this environment, if you change these social conditions, you will not have a large number of candidates sitting for the I.C.S. examination. Sir, I therefore think that the method

[Mr. P. N. Saprū.]

which has recommended itself to Government is a very unsatisfactory method. I am not in favour of any preliminary selection. I believe in the principle of open competition. I believe in the principle of no favour for anybody. If you want to have communal representation, have communal representation for the Service but select the best among the Muhammadan candidates. But I do not believe in this nomination *plus* selection or selection *plus* competition. I believe in the principle of open competition and, as this decision attacks the principle of open competition, I have no option but to give my support to the Resolution which the Honourable Mr. Kalikar has moved, and I hope the Government will see the wisdom of withdrawing this scheme.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution. In the I.C.S., which is one of the gifted Services in India, we must have the best brains and the best intellect and ability. Now, Sir, when we have the idea of democracy amongst us, we must not limit the number of candidates who should appear in the I.C.S. examination. Public Service Commissions were established in the various provinces. As far as the Punjab is concerned, I know of instances, definite instances in which the Ministry has interfered with the findings of the Punjab Public Service Commission and have at times dictated their policy. These Public Service Commissions, when they were established, the underlying idea was that there should be no ministerial influence in the selection of candidates for the various services. But as I have already related, that object was not achieved in the Punjab. I presume that what has happened in the Punjab must be happening in other provinces also. Sir, there was some fear in the public mind that Madrasis being the most intellectual people would practically secure all the posts in competition. Well, Sir, if Madrasis are intellectual, let them have the posts. They are Indians after all. I hold that other provinces are becoming as intellectual and very soon they will be able to secure more posts. But when you want the best intellect, why should there be a quota fixed for each province. I hold, Sir, that this introduction of communalism in the Service is one of the grossest blunders which Government have committed. In this Service we must have the very best intellect. Sir, my Honourable friend Mr. Saprū has observed that generally it is the boys from rich and well-to-do families who are generally selected by the preliminary boards. I might inform the House in that connection that that is not always the case. In the Punjab, for instance, a young man who was an M.A., LL.B., who came from one of the noted blue-blooded families of the Punjab was not selected in preference to a depressed class candidate of lower qualifications. So, Sir, as far as the merit of old family and blue blood is concerned, in a period of democracy it is being brushed aside. On the other hand, the claims of old families and families who have rendered services for generations are being ignored. That is the result of the democratic policy. But even when Government does adopt a democratic policy, Sir, why should there be a limit fixed to the candidates appearing in the examination? As I observed the other day, the I.C.S., which is one of the most gifted Services in India and which has done a great deal to develop this country, ought not to be allowed to have members who are poor in commonsense, in ability and in education. Sir, the time is now coming when the policy of communal representation must stop. It is now, Sir, creating discontent.

THE HONOURABLE MR. E. CONRAN-SMITH : On a point of order, Sir. May I suggest that communalism does not arise at all on this Resolution nor is it in any way relevant to the Government scheme. The Honourable Member is, I think, talking about communalism. He might raise a point about provincialization, but there is no taint of communalism at all in the scheme that Government propose to work.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Very well, Sir, I will finish by saying that this Resolution ought to be supported by us all and I hope the Government will accept this Resolution.

THE HONOURABLE SIR MUHAMMAD YAKUB (Nominated Non-Official) : Mr. President, it was a pleasant surprise to me to hear the Honourable the Mover of this Resolution showering encomiums upon the I.C.S. Up to this time, Mr. President, we have been hearing that the steel frame of the I.C.S. was the cause of all the vices and mischiefs in this country and it was a pleasant departure when my Honourable friend the Mover of the Resolution said that the I.C.S. was one of the best and most efficient services in the country and that its efficiency should be maintained. I do not know, Sir, whether this expression of view reflects the personal opinion of my Honourable friend the Mover of the Resolution or whether the general condemnation against the I.C.S. has been withdrawn by the dictator of the political opinion in this country. Anyhow, the change is welcome and commendable. Mr. President, so far as the subject-matter of the Resolution is concerned, I think that it makes an exhibition of much ado about nothing, and that a mountain has been made out of a molehill. The scheme of Government which is the subject-matter of the Resolution does not in any way seem to contain any of the vices which have been attributed to it or to be open to any of the objections which have been raised against it. Nobody says that competition should be replaced by nomination. Nobody says that the efficiency of the I.C.S. should be lowered. On the other hand, I think that if anything is intended by the scheme, it is to raise the efficiency and the standard of the I.C.S. Experience of the last five or six years, since competitive examinations were started in India, shows that hundreds of graduates, and even under-graduates, good, bad and indifferent students of the universities in India, have applied to appear for the I.C.S. examination and sat for it. Most of them were not fit to come out successful in the I.C.S. examination. But by not putting any restriction upon the candidature of these students, the result was that months and months were taken in examining hundreds of copies, hundreds and thousands of rupees were paid to the examiners for examining, and when a very large number of candidates were asked to come to Delhi for appearing before the Federal Public Service Commission, poor people had to spend hundreds of rupees for their travelling expenses, with the result that they were disappointed, and very few of them were found to be fit for the I.C.S. Sir, two years ago, Government had to introduce a system by which they said that only those candidates will be asked for the interview who had secured a certain number of marks. That was a restriction and no complaint was raised against it. By the present rules a better system has been adopted. Not only has no relaxation been made in the competition, but a double competition has been introduced, and I thought that it will be approved by the exponents of competitive examinations.

Now, Sir, the chief objection has been raised about the personnel of the Selection Board in the provinces. The Selection Board will not consist only

[Sir Muhammad Yakub.]

of Members of the Provincial Public Service Commissions, and even if it was so, I would not have raised any objection to it. Sir, very often we say that Indians are capable of performing all duties. We are always told that Indians are capable of administering their country without any favour and without any weakness in their character. But speakers on the Resolution today have condemned Indians with their own mouths—

THE HONOURABLE MR. P. N. SAPRU: How?

THE HONOURABLE SIR MUHAMMAD YAKUB: After all, the members of these Boards will be Indians, and if the Indians are accused of favouritism, if they are not capable of selecting good candidates for a small examination, then I do not think we can say that Indians are capable of administering this country.

THE HONOURABLE THE PRESIDENT: They said that they will be selected by their ties and dress.

THE HONOURABLE SIR MUHAMMAD YAKUB: If the members of the Selection Board—some of the highly educated and most capable administrators in the provinces—if they will select candidates only by their ties and shirts, then I think that the fate of India is sealed for ever. Even under the present system a very large number of marks is reserved for the interviews by the Federal Public Service Commission, and even if this new system were not adopted, the selection of the candidates mostly depends upon the result of the interview. If in the interview people are selected only by their ties and shirts, then I think Government will not be unjustified in reverting to the old system of having the I.C.S. examinations in England and not in India, because there is no free agency in India which can select the candidates. Mr. President, this system of having previous sanction for appearing in the examinations is not peculiar to the I.C.S. In the Accounts Examination and in the Indian Police Examination in India, candidates have to obtain previous sanction before they sit for the examination and that has never been objected to by anybody up to this time.

THE HONOURABLE MR. P. N. SAPRU: It has not worked well in the Indian Police.

THE HONOURABLE SIR MUHAMMAD YAKUB: I do not know, but I think there are certain examinations for which preliminary sanction has to be obtained before candidates sit for the examination and no objection has been raised to it. So, I do not think that there can be any objection to obtaining sanction. It will be in fact for the good of the students themselves. So much expenditure will be avoided and so much waste of time will be saved.

The other part of the Resolution is about fixing quotas for the provinces. I think there can be no objection to this also. It has always been said that democracy means rule by all classes, all communities and all provinces. I do not think that the work of administration should be made the monopoly of only one province or the other. After all, Sir, competitive examinations mean book cramming and mere success in the competitive examination does not show that a man can become a good administrative officer. We know many students who have passed the highest examinations by book cramming, who have got very high Degrees by passing examinations, but have got no

capacity for any administrative work and they have not succeeded in the world. Therefore, I say that it is only right and just that the people of all the provinces should get a chance to take part in the administration of the country and quotas should be allotted to all provinces. That is not a matter against which any objection ought to have been raised.

With these remarks, Sir, I oppose the Resolution.

THE HONOURABLE SIR RAMUNNI MENON (Nominated Non-Official): Sir, I regret I cannot share the view of the Honourable Sir Muhammad Yakub when he said that we were making too much fuss about nothing. I think the Council is indebted to the Honourable Mr. Kalikar for raising this question which has already aroused considerable public interest and is, in any case, a matter of grave concern to a large class of would-be candidates. The subject is many-sided and is beset with difficulties. I do not intend to traverse the points which have already been dealt with in some detail by previous speakers. I shall confine my remarks to one or two, what seem to me to be, main points which have a bearing on this general question. The justification for the new Government scheme, I believe, rests or is supposed to rest on certain considerations among which the desire to minimize or avoid administrative inconvenience is an important one. The inconvenience relates to the practical difficulty of conducting an examination on a large scale. I have been an examiner for many years and I have been connected with a University for almost a lifetime. I cannot help feeling that the evil which is supposed to emanate from the necessity of conducting an examination on a large scale is somewhat exaggerated. In any large scale examination there will be difficulty in securing an absolute uniformity of standard. That is admitted; but for all practical purposes we can conduct a large scale examination with an approach to a standard of uniformity which will be sufficient for all practical purposes. Another point: I think I am right in saying that the fixing of provincial quotas introduces, formally at any rate, for the first time the principle of provincialism. Now I am not at all surprised at this development and I would have expected this at any moment. I am not quarrelling about that. But it seems to me that the logical extension of that principle is to leave to the provinces the selection of the candidates; that is to say to conduct, either by the provinces or on their behalf by the Federal Public Service Commission, separate examinations for the candidates from different provinces or to conduct a common examination but fixing for each province the number of recruits that it requires and will be entitled to supply. That, I confess, is the logical extension of the principle underlying the fixation of provincial quotas. Coming to restriction, I do not object to the restriction of numbers as such. There can be no objection to any preliminary restriction. The only consideration is what method you are going to adopt to effect this restriction? Now, after the picturesque exposition of the atmosphere which is supposed to prevail at interviews, by the Honourable Mr. Sapru. I do not think it necessary for me to stress the point that interviews and nominations are in the public mind, rightly or wrongly, generally associated with the exercise of what may be called the personal element, which ought if possible to be avoided in any satisfactory method of selection. It seems to me therefore that the method proposed in the new scheme to appoint Selection Boards at the different provincial centres is open to objection. In any case the method is not likely to inspire that trust and confidence among the general public or—and that is an important point—among the would-be candidates. I therefore ask whether, if the Government is committed to the policy of initial restriction, it cannot devise a better method of securing the limitation aimed at than through Selection

[Sir Ramunni Menon.]

Boards? Why cannot we have a preliminary examination of the candidates from each province? That will be at any rate free from the objection based on any play of the personal element.

THE HONOURABLE MR. E. CONRAN-SMITH: May I ask if by preliminary examination the Honourable Member means a preliminary examination in the provinces?

THE HONOURABLE SIR RAMUNNI MENON: An examination in one or two subjects which are considered very essential. That will rule out a very large number of candidates. One of the suggestions made by the Honourable Mr. Sapru was that the Federal Public Service Commission should enter into some sort of arrangement with university bureaux. Well, it seems to me that that method will be open to the same objection as the proposed Selection Board is. Sir, though there are difficulties in conducting an examination on the present scale, in view of the consideration that any decision that the Government may arrive at will be open to some objection or other, and on general grounds also it seems to me that it would have been preferable if the Government had postponed taking action of such drastic nature to the time when, as I said the other day, a post-war review of all such questions would become almost inevitable. But the Government have taken a certain decision and I can only express the hope that they will devise a method of effecting the preliminary restriction which will not be open to the objection to which the proposed method is open. I would like to add that no candidate asks for any favour in a competitive examination. All that he expects and that should be conceded to him is a free field and no favour, no favour either for himself or for anybody else. If the Government can devise a system which will have this quality of impartiality I think they will do well.

THE HONOURABLE SIR A. P. PATRO (Nominated Non-Official): Sir, I will say only a few words on this Resolution. It was agitated for long in the country when provincial autonomy was to be granted that the provinces should have the right of selecting the officers necessary for the purpose of carrying on the provincial administration. The provinces demanded this right and liberty of selecting their own officers. So it seems to me that while the provinces should have a voice in the matter of selection of candidates, in what are known as the Central Services the Central Government should have their own officers and agencies for carrying on their work in the provinces. That was the principle which was advocated for a very long time. Now, the Government scheme is only a modification of that desire which was expressed by the people of this country. In the case of allotment of the quotas, it may be that at present there is no uniform principle on which it is based, as may appear from the numbers allotted to the different provinces. But I think on the whole in this matter it is not merely the population but also the economic condition of the provinces and other important matters relating to the administration which was taken into consideration in fixing the quotas for each province. It may seem invidious, it may sometimes seem unequal also when these quotas are taken by themselves, but taken with the background, the reasons for which the quotas are fixed, it seems to me that there is ample justification for fixing quotas. Each province at present requires to have so many hands for the purpose of the administration of that province. I do not see why the Government of India should interfere with the right and freedom of the province in

the matter. The system which has been devised in this scheme is only preliminary to provincial autonomy being real. The Resolution refers to restriction in the number of candidates appearing for the I. C. S. examination in India. This is too wide an expression; there is no restriction proper, but on the other hand what is done is to eliminate the wastage, to eliminate persons who may not be able to stand the test of examination and selection. Therefore it is in the interests of the candidates themselves and in the interests of the Public Service Commission it is necessary that a certain restraint should be placed upon the number selected for the purpose of the examination. How is it done? The proposal is that there should be a Provincial Board consisting of independent persons, persons who have had experience in the selection of candidates. I am sorry for the reflections which the Honourable Mr. Sapru made against Provincial Public Service Commissions. I do not know other provinces, nor have I experience with regard to them, but taking my province, the Madras Presidency and the Madras Provincial Public Service Commission, I do say that I yield to none in the matter of their independence, integrity and impartiality in the selection of candidates and in the recommendations made to the Government. There has not been such friction as is alleged between the Government and the Public Service Commission; nor have we got the sad spectacle referred to by the Honourable Lala Ram Saran Das that the Punjab Government deliberately interfere with the decisions of the Public Service Commission. I do not think he was justified in saying that without explanation that the Punjab Government is guilty of that crime. I do not think that there is any basis for his complaint at all. Therefore it seems to me that the system is simply to help candidates, to save them from considerable waste. What would happen if all of them, 400 or 500 candidates, were to sit for an examination when there were only five or six vacancies at Delhi—to come not merely for the preliminary examination but also for interview? I have heard from a very reliable source, from members of the Public Service Commission, that it is a tremendous task. It is impossible for them to conduct this kind of preliminary examination or this kind of interview in the course of a short time. It not only involves strain on the Public Service Commission but the results are bound to be haphazard. Again candidates have to come and wait for a number of days in Delhi and hang about. Therefore it seems to me that the Selection Board in the provinces is a very proper method by which preliminary selection could be made. If people who cannot get through the test are weeded out, it would be better for all concerned. One of the members of the Public Service Commission, a very important member, Mr. Ruthnaswami, has published a report during his Chairmanship, which shows that candidates who had University degrees were asked, "Who is the Commander-in-Chief?", "What is the interest that you have got in the matter of economic conditions of the country?" and their answers were surprising; the answers are also published as a sample for people to see. These people, M.A., M.Ls., from the Madras University and not from other universities, have absolutely no information beyond that contained in the text books; they cram the text books and vomit them at the examination and they come out very high, but in actual matters of commonsense they are not able to stand the general test. It has been pressed that competitive examination is the soundest method and perhaps the best method of selecting candidates. Experience has given me the knowledge that competitive examination is not the safest test for selecting the best candidates. I have seen people of very small size, poor health, and no personality at all get through the competitive examination, and when they are put in charge of division or district administration they are not able to come up to the mark; in times of crisis they have to fall back on other people. They are able to mug up and cram text books and repeat them

[Sir A. P. Patro.]

in the examination—they are able to reproduce the text book things by memory, because memory is part of the equipment of the priestly class—but when they are put in actual business, they fail. Many of these I.C.S. instead of taking executive charge prefer the judicial line, and after training as Sub-Judges, they become District Judges. They dare not face the difficulties of the administration as an executive officer. Therefore it seems to me that competition is not the only test, it is not the best test possible. As has been devised here, a combination of selection and combination seems to me a very wise combination; if it is worked wisely it may end in giving the best results. It is the fashion everywhere to say that we must have competition, but who are the class of people who demand competition? It is only the few intellectual classes that demand competition. Is the public service intended as a monopoly for these intellectual classes in India? What about the other classes of people who have not had the advantage of that education, the advantage of university training all these years? Therefore it seems to me that in order to have justice and fair play all round there should be a combination of both, competition as well as selection and this scheme which is now proposed by the Government aims at removing the difficulties of the existing competitive examination.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary): Sir, I am glad that my Honourable friend Mr. Kalikar has tabled this Resolution, because it gives me a chance of putting the case for Government and I hope to remove some of the obvious suspicions, if I may say so, and misapprehensions which are abroad. I am aware that the scheme has been criticized both in the press and otherwise and the debate to which I have listened this morning shows that Honourable Members are not happy about it. I recognize that Honourable Members have spoken out of conviction. They feel that this is not the best way of meeting the difficulty. Indeed, my Honourable friend Mr. Sapru spoke with great conviction. His pathetic story of the boy in the *dhoti* almost drew tears from my eyes, but I confess I was not quite sure what moral to draw from it—whether it was because the boy had not got a collar and tie that he got into the I.C.S. or not was not clear. I am sorry to find the Honourable Mover is so deeply suspicious of Government; he suspects sinister motives. He suspects attempts to introduce the system of nomination. He also, I was sorry to find, saw in it the hand of British reactionaries. I think I ought to clear that point immediately. The difficulties which have necessitated the introduction of this scheme were felt by the Federal Public Service Commission, an experienced body, with a large Indian element who, as I have said, found the difficulties so real that they were compelled to raise the matter with Government. Now, the question as I see it is this. What are the difficulties? Are they real and, if so, have Government selected the best method of dealing with them?

Sir, this question has been under consideration between Government and the Commission since 1937 and it has probably had as full examination and consideration as any other question that ever has been decided—I mean any question of administration. I myself have personally discussed it with the Commission and have been through with them each of the possible solutions that have been put forward as a means of overcoming the difficulties. Now, those difficulties are two. The first I may describe as the mechanical difficulty,—that is to say, the difficulty of seating so large a body of candidates. And

the second is the difficulty of actually examining them. Now my Honourable friend Sir Ramunni Menon, who as an experienced educationist is entitled to be listened to with the utmost respect, did I think recognize that the difficulty was real but he suggested that Government had not chosen the best method of dealing with it and he himself indicated what he regarded as an appropriate method. On that I shall say a few words presently.

Another aspect of the problem is the interest of the candidates themselves. Are we right in allowing a large number of totally unsuitable candidates to appear for the examination? That there are a large number of totally unsuitable candidates has been admitted by several Members who have spoken this morning. Are we justified in allowing these lads to waste time and money in taking this examination, not to mention the waste of time of the examiners? My Honourable friend Sir A. P. Patro who has lightened my task in replying himself spoke of the unsuitability of many of the candidates who applied. Mr. Sapru has also, I think, recognized that fact but his solution would be apparently to allow a university bureau to dissuade unsuitable candidates. In other words, he would substitute the university bureau for the selection committee. I must confess I do not see the value of that. The bureau would only dissuade but it would be placed in the same position as the selection committee would be, that is to say it would have to decide whether a candidate was a possible candidate or not.

There is just one more thing I would like to say about the mechanical difficulties. The preparations which the Commission had to make on the basis of the entries for the 1940 examination would have involved giving up every bit of room they had, including even their private rooms. Even so, if anything like the candidates expected had appeared, the room would have been insufficient. If therefore some check had not been imposed, then it might have been necessary to build at considerable expense.

I hope I have shown that the Commission's difficulties were very real and if I have, then the only question is: Have we chosen the right solution? Now, in the course of our discussions with the Commission we covered not only the suggestions put forward by Honourable Members this morning, including particularly Sir Ramunni Menon's, but many others as well. Sir Ramunni Menon suggested as a possible solution a preliminary provincial examination. I think I am right in understanding him in that sense. Well, the objection to that proposal is this. You will presumably fix certain compulsory subjects in which the candidates would undergo a preliminary examination. I think, if my Honourable friend Sir Ramunni Menon will ponder the question, he will realize that it would mean very often that able candidates who had reckoned on making a good showing in the subjects they took in their degree would be eliminated right away on the few compulsory subjects. But their proficiency in their own particular subject they would have no opportunity at all of showing in the examination.

We also considered the possibility of prescribing an Honours or Pass degree, but the Honours degrees in different universities vary considerably. The Pass degree in some cases is held in two parts and the candidate might get one class in one part and not in another. So that solution also had to be abandoned. The device of fixing minimum qualifying marks for the *viva* does not really help because it does not eliminate the large number of candidates who wish to sit. It does not meet the mechanical difficulty.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Will the Honourable Member repeat what he said?

THE HONOURABLE MR. E. CONRAN-SMITH: I said that one method of reducing the number of candidates was to prescribe that only those candidates who obtained a minimum mark in the written examination would be called to the *viva*. But that does not meet the mechanical difficulty of finding seating accommodation for the numbers who want to sit.

Well, that is Government's position and the scheme now settled is an honest endeavour on Government's part to meet the difficulty. I do not claim that it is perfect. There are admittedly defects in it. But it was the considered opinion of Government and the Commission after two years' examination of the subject that we had selected the best method in the circumstances.

There are one or two particular objections raised by Honourable Members that I would like to deal with if I may. The question of quotas has, of course, been raised. My Honourable friend the Mover said that the quotas were apparently fixed on no principle and with no reason. The quotas were fixed after taking into consideration the following facts: (a) the population of the provinces, (b) the graduate population of the provinces, and (c) the actual number of candidates who have appeared in recent years. If a province is found to have a larger allotment than her area or population appears to warrant, then the explanation is that other factors have operated, e.g., a larger number of candidates have appeared in the past in that province than in others.

Another criticism has been that we are attempting to introduce provincialization. That I most vehemently deny. I cannot see how the allotment of a quota to provinces for the purpose of this preliminary elimination can be described as provincialization. The examination remains an all-India one and it is only in order to enable us by this preliminary selection to keep down the numbers to manageable proportions that we have settled on provincial quotas.

There were certain objections taken to the composition of the selection boards, although the form of the objection differed with different speakers. In some cases the criticism proceeded on a distrust of the provinces which, I must confess, I deprecate. Actually the selection board has been constituted by Government with an eye to securing the strictest impartiality, and I maintain that the composition laid down is likely to achieve that object.

A certain amount was said about the merits or demerits of a *viva voce* test. A good deal of what the Honourable Mr. Sapru said was merely a criticism of *viva voce* tests in general and did not particularly pertain to the form of *viva voce* we are contemplating for the preliminary selection. It was he, I think, who deprecated or disliked the conferring of so much power on the provinces. He said he did not want to reflect on the Provincial Public Service Commissions and then proceeded to do so. I can only repeat that so far as Government are concerned, they are perfectly satisfied that the composition of the selection boards is such as will secure complete impartiality.

There are one or two minor points which perhaps I had better answer before I sit down. The Honourable the Mover referred to the fact that the method now proposed had been applied in the past from 1922 to 1928 and he said that the reason why it had been given up was not stated, but obviously, it had failed to achieve its object. My Honourable friend is under a misapprehension. The system was laid down but it was not actually applied because the numbers did not rise above the proportions fixed, and it did not in fact operate. Other Honourable Members asked whether Provincial Governments were consulted. My answer is, "Of course, they were". They were consulted at considerable length and their opinions were received.

In conclusion, I would like to remind Honourable Members that this system has worked for some time in the case of the Indian Police and I believe it has worked very satisfactorily. That being so, there is no reason to suppose that it will not work equally satisfactorily in the case of the I.C.S. I would ask Honourable Members of this House, in view of what I have said, to have patience and see how the new system works in the coming year and not to condemn it out of hand, or if I may say so, on *a priori* reasons. In view of what I have said I regret that Government cannot accept the Resolution.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan): Mr. President, the only reason given by the Honourable Mr. Conran-Smith for opposing the Honourable Mr. Kalikar's Resolution is that the number of candidates appearing at the I. C. S. examination had become unmanageable, and that it was difficult both to interview and to examine so large a number of candidates. Let us first see what the magnitude of the evil is. The largest number of candidates appeared at the examination held in 1940. As many as 467 candidates participated in this examination. The number was certainly high. But, on the other hand, it does not seem to me to be so large as to require the restrictions that the Government scheme which is under discussion now involves. According to the scheme laid down by Government 300 candidates will be allowed annually to take part in the competitive examination. The difference between this number and the number of candidates who have actually appeared so far at the examination is not so large as to require the imposition of the check that Government have resorted to. The number is large but it is not too large as compared with the number which Government themselves are prepared to allow to take part in the examination.

(At this stage the Honourable the President vacated the Chair which was taken by the Honourable Sir David Devadoss.)

Then, Sir, it does not seem to me that Government have limited the functions of their Selection Committees in the provinces to the weeding out of the unfit candidates. If that alone was their object, as the Honourable Mr. Conran-Smith contended, there was no reason why a quota should be fixed for every province. It is quite possible in theory that the number of suitable candidates for participation in the I.C.S. examination may be larger

in a province than the quota allotted to it by the Government of India. Will not the selection of the required number of candidates then become purely arbitrary? If the object of the Government was to prevent those candidates who were manifestly unfit from wasting their time and money, surely they could have empowered the Universities to make a preliminary selection. That I think would in any case have been better than selection by a committee of the kind proposed in the scheme promulgated by Government. The Universities would not have had to limit the number of candidates desiring to appear in the I.C.S. examination to an arbitrary figure fixed by the executive Government. Apart from that, their decision I think would have been received with less dissatisfaction by the students than the decision of the provincial selection committee.

Sir, we have been told in the course of the debate that there are several examinations in which the selecting authorities resort to a *viva voce* examination. There is no objection of course to a *viva voce* examination, but there is a great difference between a *viva voce* test which comes after the written examination and a *viva voce* test which precedes the written examination. A *viva voce* test which precedes the written examination is a sort of nomination which has been objected to all over India. It is true that there are some services

[Pandit Hirday Nath Kunzru.]

in which the selection takes place previous to the written examination, but the method adopted has not given satisfaction to the public. I know that in the case of several services young men who, judged by any ordinary standard, should have been allowed to take part in the examinations at which they wished to appear were rejected. There did not seem to me to be any ground justifying their rejection. Every one here can from his own experience point to such cases which go to show that whatever the constitution of the selecting authority may be the method chosen by Government is in itself unsatisfactory.

THE HONOURABLE MR. E. CONRAN-SMITH : On a point of explanation, Sir. May I say that the Selection Committee will have before them the academic record of the candidate in the same way as the university would have. I cannot therefore see the difference between the Selection Committee deciding what the academic record was and the university also depending on that record.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : There is first of all the question of public confidence. Apart from this, if all that Government desire is the rejection of the unfit why should they fix a quota for any province ? It is the fixation of the quota that is most objected to both by the universities and the public. I know, Sir, we all know, that some time ago candidates for the competitive examination for Sandhurst were subjected to a preliminary scrutiny. It was the Provincial Governments who examined the candidates. But the system gave rise to serious complaints and the Skeen Committee recommended its abandonment. The number of candidates appearing at that examination too was growing. A good many of them had no chance whatsoever of succeeding in the examination. Nevertheless the old method was given up and what has been the result ? In course of time our young men have come to know that the examination held for the Indian Military Academy is pretty stiff and that only those boys have a chance of succeeding in it who have carefully prepared themselves for it. I have no doubt whatsoever that a similar recognition on the part of our young men will lead to a reduction in the number of candidates desirous of appearing at the I.C.S. examination. The character of the examination will in course of time provide the remedy that Government are in search of, and I think that we might well leave the difficulty of which Mr. Conran-Smith has complained to be remedied by the operation of natural causes.

A good deal has been said here about the inadequacy of competitive examinations by themselves as a test of merit. The people who have brought forward this objection surely know that every written examination is followed by a *viva voce* test. But they evidently wanted to run down the competitive system itself. They seem to argue in such a way as to suggest that common-sense was the monopoly of those who had received insufficient education. Frankly, they seem to me to have voiced the feelings of those who think that they will have no chance in life unless they can secure the patronage of Government. The views of such people are entirely out of court.

Sir, my Honourable friend Mr. Conran-Smith told us of the various methods which Government thought of employing in order to reduce the number of candidates for the I.C.S. examination before adopting the scheme which we are objecting to. I have no doubt whatsoever that every one of the schemes that he mentioned was open to some objection, but I do think that a preliminary selection on the basis of the university qualifications would have been fairer

than selection by provincial committees. Again, Sir, it seems extraordinary that the quota allotted to the Punjab should be greater than that allotted to Bengal. Is the population of Bengal less than that of the Punjab or is the number of graduates in Bengal less than that of the Punjabi graduates ? I am sure not even my Honourable friend Mr. Conran-Smith will reply to either of these questions in the affirmative. The relative quotas assigned to Bengal and the Punjab therefore require a more serious explanation than has so far been vouchsafed by him. I might institute another comparison, a comparison between the Punjab and Madras. While the Punjab, as I have already said, has been allotted a quota of 48 that of Madras is limited to 50. The population of Madras too is not less than that of the Punjab ; nor I should imagine is the number of Madras graduates less than that of the Punjab graduates. This illustration also shows how arbitrary the quotas are. I am therefore unable to approve of the scheme which has been laid down by Government. Considering the evils of the method chosen by Government, knowing the complaints that it gave rise to in the case of the Indian Military Academy examination and the complaints that it is now giving rise to in the case of the Indian Police examination which takes place separately in each province I cannot but strongly object to the scheme which is dealt with in Mr. Kalikar's Resolution. I cannot express my feelings more strongly than by saying that if there were no other way of controlling the number of candidates than by adopting the scheme laid down by Government I would say, "Do not control the number." I would let the present evil continue rather than limit it by the method chosen.

THE HONOURABLE MR. E. CONRAN-SMITH : How would the Honourable Member meet the practical difficulty ? Would he seat the candidates in the street or build a large and expensive hall ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : You have been able so far to provide for the examination of 467 candidates.

THE HONOURABLE MR. E. CONRAN-SMITH : With great inconvenience.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I am quite certain that in course of time the number will go down, but if it does not I suggest that the educational authorities should be asked to prevent those boys from appearing who have obviously not the slightest chance of succeeding in the examination. I am quite certain that the restraining influence of the universities will be accepted with less dissatisfaction than the control of Government. This is my constructive suggestion. But my hope is that want of success in the examination will soon have a chastening influence and will in course of time sensibly diminish the number of candidates. For these reasons, Sir, I give my whole-hearted support to the Resolution moved by Mr. Kalikar.

THE HONOURABLE MR. V. V. KALIKAR : Sir, the points raised by my Honourable friend the Home Secretary in his speech have failed to convince me of the necessity of the scheme he has put forward. I must substantiate the argument I advanced that the scheme would give a handle to the British reactionaries to block our progress in this matter. I base this argument on a rule which appears in the Gazette of 4th May, 1940. These rules are made by the Secretary of State for India. It is as follows :—

"The maximum number of candidates admitted to the examination may in the discretion of the Governor General in Council be limited to such number not being less than 200 as the Governor General in Council may decide".

[Mr. V. V. Kalikar.]

The origin of the present scheme which has been propounded by the Government of India is in this rule. Therefore when I read this rule and the Press Communiqué I apprehended that the Government of India were forced to put this scheme into effect at the instance of Whitehall. I wish my apprehensions should prove incorrect. Then, the arguments that have been put forward for eliminating the candidates, about space, about the wastage of money on the part of parents and the candidates, were considered by eminent educationists in India and some of them propounded a scheme under which the candidates should be examined orally as well as in a written examination in the provinces and then those who get through that test should be sent up for the I.C.S. examination. I gave my thought to the scheme which was propounded by one of the eminent educationists and I find that that scheme will involve multiplicity of examination and cause more strain to the candidates. I submit if the Government cannot find out a way to meet the present situation and if they desire to eliminate unsuitable candidates by adopting the present scheme which they have adumbrated in the communiqué, I prefer the scheme of having two examinations—one in the province, written as well as oral, and then another for the regular I.C.S. examination. In spite of the strain that the candidates will have to bear, I do not want that the public as such should lose confidence and that there should be the least chance of impairing the efficiency of the Service. We must have the best brains, as I said at the beginning of my speech and you cannot get the best brain by this sort of scheme.

Sir, so far as the principle underlying the scheme is concerned, my Honourable friend Pandit Kunzru has given a definite reply to the points raised by my Honourable friend Mr. Conran-Smith. I wonder, Sir, whether the Government of India cannot arrange for the examination of 600 or 700 candidates if they really want to hold the examination. I find universities arranging examinations for over 2,000 and 3,000 candidates. So, no question of space should come in to defeat the purpose of competition. The suggestion made by my Honourable friend Mr. Sapru and by my Honourable friend Pandit Kunzru deserves some support, but if the Government are not willing also to consider that position, I submit, let the number come up, let the candidates think that it is waste of time and energy and money for them to go for the I. C. S. examination and let the number drop naturally, but do not create any suspicion in the minds of the public and curtail the number by fixing quotas arbitrarily.

Sir, I do not want to reply to the irrelevant matters which have been brought up in the debate. I have not referred nor was it my object to refer to communal matters in this discussion. Sir, I thank all my friends who have given me support and I hope the House will accept the Resolution.

THE HONOURABLE MR. E. CONRAN-SMITH: With your permission, Mr. Chairman, may I add one or two observations. My Honourable friend the Mover has suggested the possibility of provincial examinations. I want to refer to that suggestion because I am anxious the House should realize that Government and the Commission have explored this and every other possible avenue of approach to the problem. The objection to preliminary provincial examinations is that if you adopted that method you would secure no uniformity throughout India, and that is, I think the House will agree, a serious objection to my Honourable friend's proposal.

As regards the quotas,—if I might take this opportunity to answer as far as I can a point made by my Honourable friend Dr. Kunzru,—in the first place I may say that the Provincial Governments were consulted as regards

the quotas. In the second place, I would like the House to bear in mind that as regards the actual quotas themselves, each province will have a chance to secure a large proportion of the vacancies,—if the candidates from the province in question are good enough,—and indeed the bigger provinces could quite conceivably absorb all. I say that in order to show there is not really any danger that real merit would be crowded out.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: My objection, Sir, was that the quotas had been arbitrarily assigned.

THE HONOURABLE MR. E. CONRAN-SMITH: I think I have already answered that, Sir. I said the quotas were fixed in consultation with the provinces.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Were the Provincial Governments told what it was the intention of the Government of India to do? That is, was the list fixing the quotas circulated to all Governments?

THE HONOURABLE MR. E. CONRAN-SMITH: I have said that the Provincial Governments were consulted about the quotas and given full information. As regards Dr. Kunzru's rather optimistic forecast —

THE HONOURABLE MR. V. V. KALIKAR: Did the Provincial Governments agree to the quotas fixed by you?

THE HONOURABLE MR. E. CONRAN-SMITH: This House has been informed more than once that it is not the custom to reveal what Provincial Governments say in their replies to references from the Centre, but I may say that these quotas were generally accepted.

As regards Dr. Kunzru's rather optimistic forecast of a decrease in the number of candidates appearing at the examination, I can only say that it is not justified by our experience. The number of candidates has gone on increasing and there is no reason, as far as I can see, to suppose that it will stop at the present figure. His suggestion to enlist the help of universities in fixing the number of candidates appears to me to involve the fixation of a quota just as much as the Government's scheme. I do not know if my Honourable friend heard me then. The suggestion which my Honourable friend made was that the universities should be called in as it were to limit the number of candidates; that suggestion equally involves the fixing of a quota. Otherwise, how can the university know how many candidates can be sent forward from that area. However, Sir, it has been clear to me from this debate that Honourable Members are genuinely apprehensive about the merits of this scheme and I am prepared, if it will satisfy the Honourable the Mover, to give an assurance that Government will review the position after the experiment has worked for one year with the intention of seeing how far the scheme has worked satisfactorily and fairly. Possibly that assurance will satisfy the Honourable Member.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: When is the first examination under the new system going to take place?

THE HONOURABLE MR. E. CONRAN-SMITH: The examination is in 1942.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Well, I personally think, Sir, that it is time the Government reviewed the situation now.

THE HONOURABLE THE CHAIRMAN : What do you say Mr. Kalikar ? Are you prepared to withdraw your Resolution on this assurance ?

THE HONOURABLE MR. V. V. KALIKAR : Sir, I am very sorry we do not see our way to accepting the assurance that the Government would review the position after a year.

THE HONOURABLE THE CHAIRMAN : Well, you cannot expect them to review the position before they try it once. They must try it once and if there is any fault they can rectify it. How can they judge of it before they have tried it ?

THE HONOURABLE MR. V. V. KALIKAR : Sir, I beg leave of the House to withdraw my Resolution.

The Resolution was, by leave of the Council, withdrawn.

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

The Council reassembled after Lunch at Three of the Clock, the Honourable the President in the Chair.

RESOLUTION *RE* UNIVERSITY TRAINING CORPS.

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

“That this Council recommends to the Governor General in Council that the University Training Corps in India be trained and utilized like the Officers Training Corps at the British Universities.”

Sir, when I gave notice of this Resolution, what I had in mind was the training normally given to the O. T. C., that is, the training given to it before the war broke out and the manner in which the services of the members of the O. T. C. were utilized. Since the outbreak of the war the position may have changed in England, but, as I am asking only that the O. T. C. and the U. T. C. should be placed on the same footing in every matter, I hope that His Excellency the Viceroy, who said the other day that questions relating to the U. T. C. were under his consideration, will be able to view the Resolution with favour.

Sir, the central purpose of my Resolution is to ask that the training of members of the U. T. C. should not be limited to that given to the rank and file. Our highly educated young men should be given training which would enable them to perform the duties of officers. Before Lord Haldane became War Minister of England, the old Volunteer or Cadet Corps at the British Universities was, I understand, trained in much the same way as the U. T. C. is in India today. But Lord Haldane changed the system that prevailed. In an address which he delivered to the citizens of Bristol on his installation as Chancellor of the Bristol University he said :—

“The Officers Training Corps differs widely from the old Volunteer or Cadet Corps which used to be all that our Universities contributed to the defence of their country. Five years ago, when I was at the War Office, we came to see that it was waste of splendid

material to aim at the production of nothing higher than this from among University students and that what we needed most was to get from them a Reserve of educated men who had sufficient training as officers to be available in the event of war”.

I ask that the same object should be kept in view in training the U.T.C. Advantage should be taken of the education that the cadets have received to fit them for the performance of more responsible duties than the rank and file are called upon to perform. The Regulations laid down for the training of the U.T.C. are in theory, I believe, meant to give effect to this idea. In fact, in the Regulation which points out the object of establishing the U.T.C., it is pointed out that its purpose is to fit the cadets for taking the initiative and to develop the qualities of leadership in them. But, in practice, the training has fallen far short of the ideal aimed at in this Regulation. The main reason for it seems to me to be that no definite endeavour was made to utilize the products of the U.T.C. as officers either in the Regular Army or in the Territorial Forces. So far as the O.T.C. at the British Universities is however concerned it was laid down in the very first Regulation that the O.T.C. existed “to build up a potential reserve of junior officers to meet a national emergency and to supply junior officers for the Supplementary Reserve and the Territorial Army”. I ask, Sir, that the same end should be kept in view in India in training our young men in the U.T.C.

The Auxiliary and Territorial Force Committee which was presided over by General Shea, dealing with the U.T.C. said that—

“for many years to come the U.T.C. must be regarded as the most important section of the Territorial Force” and that it should “be viewed as the foundation stone of the national army”.

I am afraid, Sir, that the U.T.C., far from having been dealt with as its importance required, has been treated more or less as a toy to please the political classes. It has never received the attention that its importance deserves. Recently, Sir, the U.T.C. has been expanded. In the Allahabad University at least, two more platoons have been added to the company that already existed. But no uniforms have been provided for the members of these platoons. I know the difficulties with which the military officers are confronted. But I have a very strong feeling that had they been inclined to view the development of the U.T.C. with favour, had they treated the U.T.Cs. seriously, had they had any intention of utilizing it in the same way as the O. T. C. is utilized in England, they would have found some means of providing the additional platoons with the necessary uniforms and equipment. In another respect also the practice falls far short of the recommendations of the Auxiliary and Territorial Forces Committee. In order to encourage the members of the U.T.C. and in order to provide them with higher training the Committee recommended that—

“a special certificate or certificates of proficiency should in course of time be instituted in the U.T.C. units on the lines of the A and B certificates in the O.T.C. in England, the holders of which should be entitled to a proportion of marks for the competitive examination for Sandhurst”.

The Committee further asked that so far as the grant of King's Commissions was concerned

“other things being equal, preference should be given to those who have undergone previous military training in a U.T.C. and who are in possession of satisfactory discharge certificates from their Corps”.

[Pandit Hirday Nath Kunzru.]

The attention of the military authorities has been repeatedly drawn to these recommendations. A few men trained in the U. T. C. have received commissions in the I. T. F., but these are the exception rather than the rule. Generally speaking, the recommendation of the Shea Committee to which I have just referred has been completely ignored. Nor has the certificate B examination been instituted. In England the situation, at least till the war broke out, was very different from that in India. In the first place the O.T.C. was given a higher training than is given to the U.T.C. yet in spite of the changes made in the system of training in 1937. In order to encourage the attainment of a high standard by the cadets, two certificates known as A and B had been instituted and the holders of B certificates are utilized by the military authorities in respect of the provision of officers. They are used, or they were normally used, in two ways. In the first place a certain number of them were admitted to Sandhurst without having to go through the competitive examination for admission to it. In the second place some of them were granted direct commissions. I understand that university men of both these categories formed about one-fifth of the total number of officers who received commissions annually. Further, those university men who received direct commissions were entitled to receive ante-dated commissions. Generally speaking, an ante-date of 18 months was allowed. In India, in spite of our repeated demands, the military authorities have obstinately held to the view that members of the U.T.C. must take their chance in the matter of admission to Sandhurst and of obtaining commissions along with other candidates. I moved a Resolution in September, 1937 the object of which was very similar to that of the Resolution which I am moving now. One part of that Resolution referred to the institution of the B certificate examination, but even this modest request was turned down by His Excellency's predecessor.

Sir, I have spoken so far with reference to the conditions which prevailed in England and in this country before the war. I do not know that has happened in England since the war broke out, but changes have taken place in regard to the grant of commissions in this country since then. In the first place only emergency commissions are being granted at the present time, and in the second place a special College has been established at Mhow for the training of officers for the grant of emergency commissions. The training at Mhow is of six months' duration. The candidates are interviewed and selected by a Selection Committee. The members of the U.T.C. and university men are not therefore required to pass a competitive examination in order to gain admission to the Mhow Military College. All that they have to do is to appear before a Selection Committee. If they are approved by it, they will be sent to the Mhow institution for training. This is perfectly true, but what I should like is that even at the present time a certain number of cadets should be chosen every six months from the U.T.Cs. and sent to Mhow for being trained as officers. When normal conditions return the same thing can be done in regard to admission to the Indian Military Academy. But at the present time there is no reason why special efforts should not be made to select a few men from among the members of the U.T.C. for training at Mhow. His Excellency the Commander-in-Chief needs a large number of officers. It is desirable therefore that all possible sources of recruitment for this purpose should be fully utilized. If he adopts the step that I suggest I have no doubt that he will stimulate recruitment and will at the same time get men who are in every way suitable for being appointed as officers after a certain amount of preliminary training. Again, Sir, even at the present time I suppose it will be possible to institute the B certificate examination so that the members of

the U. T. C. might feel that they could know something more than what the ordinary soldier knows. Nothing has tended to reduce the popularity of the U. T. C. and to kill the enthusiasm of our young men than the elementary character of the training that is imparted to the cadets. If, however, training befitting their education is given to them and the prospect of being selected for commissions is held out to them, I have no doubt that both enthusiasm and proficiency will increase considerably and that it will be a great advantage to the State to encourage the young men at the universities to receive military training.

I believe, Sir, that the demands that I have made are of a very modest character and I hope that they will meet with the acceptance of His Excellency the Commander-in-Chief. I ask that changes should not be deferred till the war is over. It is possible to take certain steps even now to make the U.T.C. more attractive and to utilize its products in a better way than is the case at the present time. Let them be taken immediately. It may be possible to go further after the war; further measures might be adopted then. If the end that I have insisted on is kept in view, if it is granted that our educated young men should be trained so as to develop powers of command and be available as potential officers in an emergency, I have no doubt whatsoever that the military authorities will take such steps as may be necessary to achieve this purpose both now and hereafter.

With these words, Sir, I commend my Resolution, if I may say so without presumption, to His Excellency the Commander-in-Chief.

THE HONOURABLE SIR RAMUNNI MENON (Nominated Non-Official); Sir, my object in intervening in this debate for one brief moment is merely to place before the Council and in particular before His Excellency the Commander-in-Chief a certain disadvantage under which a class of university students are at present labouring. I believe—I am speaking subject to correction of course—one of the regulations governing recruitment to the Indian Army relates to the candidate's nationality, by which I mean that the candidate's eligibility depends on whether he is a British Indian subject or a subject of an Indian State. Now, I do not wish to raise this large question of the ineligibility of Indian States subjects. I can well understand the justification for limiting recruitment to British Indian subjects, in as much as there are many States which maintain State forces; but there are States—I know there are in the South—which do not maintain any military force. In large presidency towns, notably in a place like Madras, we get a considerable proportion of students from Indian States among the university students. Those students who are Indian State subjects are entitled to admission to the U.T.C., but I believe they are precluded from recruitment to the regular Indian Army because they are not British Indians. I should like His Excellency to consider whether the time has not now come to remove this particular disqualification in the case at least of those Indian State subjects who are students of universities and who are entitled to admission into the U. T.C. and many of whom are as a matter of fact members of the U.T.C. I should be very glad—and I am sure the students affected will be very grateful—if this point is considered by His Excellency.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to support the Resolution. I have already on various occasions advocated encouragement of the U. T. C. and for its members being given commissions. Students who like to adopt military career should not be discouraged, because it is their sense of duty to their King and country which leads them to decide to take up that career. So far enough encouragement has not been given to members of the U. T. C. in the matter of

[Rai Bahadur Lala Ram Saran Das.]

granting them commissions. My Honourable friend Dr. Kunzru has dealt in detail with the subject and I need not waste the time of this House any further except to express the hope that His Excellency the Commander-in-Chief will accept the Resolution and give every encouragement to those young educated persons who offer their lives for the defence of the country.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, my Honourable friend the Mover of this Resolution has said in his speech that the Resolution really refers to conditions existing before the war rather than conditions as they exist today and that is quite correct. So far as I know the Officers' Training Corps in England have practically ceased to function since the war began. They are certainly not now producing officers in the sense that they were producing before the war, as was clearly and correctly described by my Honourable friend. Since the war began that function has ceased, so far as I know. Officers for the army in the United Kingdom are now procured by means of Officers Cadet Training Units, which are called "Octus" for short. Every candidate for a commission has to go through one of these units. It does not matter whether he comes from one of the universities or schools or from the ranks or anywhere else. That is the condition as it is today. And that is also the condition in this country today, as Honourable Members know. We have the same Officers Cadet Training Units. We have them at Mhow, Bangalore, Dehra Dun, and elsewhere. The courses at each of them differ slightly in accordance with the qualifications of the cadets when they enter them. But generally speaking they are the same.

Well, Sir, even if that were not the case, I would like to say that I do not think it is necessary for us in this country to be bound entirely by what they do in the United Kingdom and I do not propose myself to be so bound. There are many good things we can get from the United Kingdom but there are many things they do in the United Kingdom which are not really suitable to Indian conditions. We must, of course, follow the general broad principles of organization and training of the armed forces which are applicable throughout the Commonwealth, but within those principles I think we can adopt in practice such modifications as our local conditions make necessary or desirable.

The Honourable Member, the Mover of the Resolution has, I am sure, correctly traced the history of the U.T.C. in India and he has shown that in his opinion little or no action has been taken to implement the various recommendations which have from time to time been made to increase the value of these Corps as officer-producing units. He has shown that very clearly. Well, here again, Sir, if I may be allowed to, I would submit that we need not now be unduly concerned with what has happened in the past or whether what was or was not done was right or wrong. The times are urgent and our present problems are very pressing. In fact, they get more pressing every day, as I have good reason to know. I would, therefore, like to clear my mind of the past and look only to the future.

As I have said more than once in this House, our immediate task is to win this war and to win it quickly. If we can agree to combine our energies and ideas to this end, then I for one shall be more than content. I think, Sir, I could have argued for the rejection of this Resolution on the technical ground that it applies to conditions which no longer exist. But I have no intention of taking refuge behind quibbles of that kind and so I will deal with the Resolution in the spirit rather than in the letter, that is, in the spirit of the Honourable Member who moved it. And I believe I am right in saying that

the spirit behind the Resolution is that more use should be made of the U.T.Cs. as officer-producing units, and that it does not really matter whether these corps conform to the British or any other model so long as they fulfil this purpose. As I said, it is with the spirit rather than with the letter of the Resolution that I wish to deal.

Well, Sir, I am very much concerned with securing an adequate supply of young men of the right stamp and with the requisite qualifications to fill vacancies in the officer ranks of the army. If I can get these young men from the universities, if they are men of the right stamp and with the requisite qualifications, I shall be only too glad to take them. As a matter of fact, I think it is well known that we are taking them already. Perhaps not as many of them as my Honourable friend the Mover of the Resolution would like. But we are taking them and we have been taking them for some time. And it is the case that previous to the war the fact that a candidate for a commission had served in the U.T.C. and in many cases risen to non-commissioned rank, was taken into consideration by the Interview and Record Board which decided the suitability of Indian candidates. I have more than once sat on that Board or attended it and I know very well that that factor was taken into account. It did not carry any definite marks—I admit that. But it was definitely taken into account by the Board and I think there are Honourable Members here who will support me in that statement. However, I realize quite fully that my friend the Mover of the Resolution wants to go further than that. And I think what he would wish is, to extend and modernize the syllabus of training in these Corps, to provide new weapons and vehicles for instruction in this more extended syllabus and eventually the granting of a certificate of efficiency which would be a substantial help to a candidate in his efforts to obtain a commission in the face of open competition. I think that, stated briefly, is what he desires.

Well, Sir, I will say at once, if I may, that I realize that there does exist keenness to learn and serve among many members of the U. T. Cs., I know that. And therefore I have much sympathy with the desire of the Honourable the Mover of the Resolution and his supporters to see that the best possible use is made of this keenness. I sympathize with that desire very much. I have already issued instructions—I think we have had the fact mentioned already today—that the training syllabus of U.T.Cs. is to be reviewed and improved with a view to making it more comprehensive and up-to-date. This work is now in hand. It is in the hands of the General Staff.

With regard to the provision of more modern equipment and more varied forms of equipment, I cannot, I am afraid, give any definite guarantees at the moment. I will explain why. I think, Sir, Honourable Members are well aware of the situation which prevailed not only in this country but throughout the British Commonwealth at the beginning of the war in respect of equipment, arms, and munitions of war of all descriptions. I think they know also what strenuous efforts have been made and are still being made to improve the situation, and to provide arms, equipment, vehicles, clothing and munitions of all sorts for the armed forces which have been and are being so rapidly expanded. And Honourable Members will realize, I hope, that the first call on these arms and on these munitions which are now being produced in ever-increasing quantities, must lie with those forces, those troops which are actually in training with the imminent object of being engaged with the enemy, that is to say, going on service. Those units and establishments less urgently concerned must perforce be content with what is left. That, I am afraid, is an unavoidable fact. I think Honourable Members will realize that it is unavoidable.

[H. E. the Commander-in-Chief.]

Secondly, I would like to make it quite clear now that I am not contemplating at the moment, and so far as I know I do not think I will contemplate, any radical change in the system by which officers are at present recruited for the army, that is, the system I explained at the beginning of my speech. That is to say, I would not agree at the moment, while this war is in progress and while this system is in existence, to any system of direct intake from the universities or elsewhere into the officer cadre of the army. I am convinced that the present system is the right one. It is a war system and I am convinced that it is a right one. I am convinced that everybody must go through the same mill, that is to say, through the Officer Cadet training institutions that are now at Bangalore and elsewhere. I hope that Honourable Members will agree with me that it is the only possible course to take in the present conditions.

The Honourable the Mover of the Resolution said that after the war things will be different or may be different. But while the war is with us, I do not propose to make any radical change so long as I am here in the present system of recruitment and training of officers.

Thirdly, I would like to make it quite clear—I do not think the time has come and I do not think the present conditions will warrant it—I could not agree that the grant to any individual of a certificate of efficiency gained in a U.T.C. would of itself entitle him to a commission in the army, without any other qualifications. I think that follows logically on my second point. What I will do is this. *First*, I will do all I can to provide a syllabus of military training for the U.T.Cs. which will be more attractive, more in accordance with the needs of modern war and as comprehensive as possible. When I say “comprehensive” I mean a syllabus which will afford training in the work of branches of the service other than infantry. I will do what I can towards that. The putting into effect of this improved syllabus will, however, demand the services of a large number of skilled and experienced instructors and also a good deal of equipment for training purposes and neither the instructors nor equipment are easy to come by at the moment. We are hard put to it to find instructors and equipment to train our expanding army, and that is the case I believe with every army in the world today, even in Germany. *Secondly*, I will give my immediate consideration to the possibility of introducing a certificate of efficiency, the possession of which might confer a definite advantage on the holder when he appears before the Selection Board as a candidate for a commission. What form that advantage might take requires a good deal of consideration, as I am sure you will realize, but that would be my object. The possession of such a certificate by a candidate for a commission might very well result in a shortening of the time for which that candidate will be required to be under instruction as a cadet before he received his commission. That would depend on his efficiency. That would be an added advantage. I do not wish to give any definite guarantees or to enter into obligations which I may not be able to fulfil. As I said before, these are critical times and demands on such resources as I have are being continuously made on me from all sides every day and all day. It is not an easy matter to apportion these resources between one demand and another.

That is all I have to say, and in the light of what I have said, I very much hope that my Honourable friend will be willing to withdraw a Resolution with the spirit of which, as I think I have shown, I am in sympathy. Its literal application would not, I think, in any way improve the object which the Honourable Member has in mind.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Mr. Chairman, His Excellency the Commander-in-Chief has made two important announcements with regard to the steps that he proposes to take to improve the training given to the U.T.Cs. and to give its members an advantage in the matter of obtaining commissions. I am glad to know that efforts are already being made to modernize the training given to the U.T.C. cadets and that a certificate will soon be instituted which will make it easier for its holder to be selected for military training and at the same time shorten the period of his training. I welcome these changes. I had hoped that His Excellency would have something to say about another proposal also which I made and which, I think, could be accepted even at the present time without granting direct commissions to U.T.C. cadets. I suggested that the cadets belonging to the U.T.Cs. might be interviewed separately from other candidates and that every effort should be made to select officers from among them for training at Mhow. I am keen that they should not be left to take their chance along with other candidates who might present themselves before the Selection Committees. I think that if the encouragement I have asked for is given, the military authorities will have no occasion to regret the step. I think it will in every way prove advantageous. It will not contravene any of the principles which His Excellency is determined to adhere to at the present time. I appreciate the manner in which he spoke and the spirit which underlay his remarks. I feel, however, that this particular suggestion will not in any way lower efficiency or conflict with the decision which His Excellency has arrived at for the time being. I hope that His Excellency omitted to refer to this matter only by accident and that he will be able to give us as satisfactory a reply on this point as he has done with regard to the question of training and the institution of a higher certificate—

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : It will certainly have my consideration.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : These are the three main points which I had in view in bringing forward my Resolution. I admit that the system in England has changed since the war broke out. In view of this and in view of the spirit of His Excellency's remarks, which I have no doubt has been keenly appreciated on all sides of the House (Applause) I beg to ask for leave to withdraw my Resolution.

The Resolution was, by leave of the Council, withdrawn.

The Council then adjourned till Eleven of the Clock on Tuesday, the 11th March, 1941.

COUNCIL OF STATE.

Tuesday, 11th March, 1941.

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

STATEMENTS, ETC., 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. 1/1/41-Political (E), dated the 5th March, 1941.

Declaration of Exemption.

No. 1/1/41-Political (E), dated the 5th March, 1941.—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. Kazuo Suto, an official attached to the Japanese Consulate General at Calcutta, so long as he holds a post in that Consulate-General.

(Sd.) H. J. FRAMPTON,

Deputy Secretary to the Government of India.

CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE MR. L. WILSON (Chief Commissioner for Railways): Sir, I move :—

“ That this Council do proceed to elect, in such manner as may be approved by the Honourable the President, six non-official Members from the Council who shall be required to serve on the Central Advisory Council for Railways for the year commencing 1st April, 1941.”

The Motion was adopted.

STANDING COMMITTEE FOR ROADS, 1941-42.

THE HONOURABLE MR. S. N. ROY (Communications Secretary): Sir, I move :—

“ That this Council do proceed to elect, in such manner as the Honourable the President may direct, three Members to serve on the Standing Committee for Roads which will be constituted to advise the Governor General in Council in the administration of the Central Road Fund during the financial year 1941-42.”

The Motion was adopted.

STANDING COMMITTEE FOR THE DEPARTMENT OF COMMUNICATIONS.

THE HONOURABLE MR. S. N. ROY (Communications Secretary): Sir, I move :—

“That this Council do proceed to elect, in such manner as the Honourable the President may direct, three non-official Members to serve on a Standing Committee to advise on subjects, other than ‘Roads’, dealt with in the Department of Communications, during the year 1941-42.”

The Motion was adopted.

THE HONOURABLE THE PRESIDENT: With reference to the three Motions which have just been adopted by the Council, I have to announce that nominations will be received by the Secretary up to 11 A.M. on Monday, the 17th March, 1941 and the dates of election, if necessary, will be announced later.

PETROLEUM (AMENDMENT) BILL.

THE HONOURABLE MR. H. C. PRIOR (Labour Secretary): Sir, I move :—

“That the Bill further to amend the Petroleum Act, 1934, as passed by the Legislative Assembly, be taken into consideration.”

Sir, this is a short Bill which I think Honourable Members will not find in any way controversial. There are various forms of licences under the Petroleum Act, licences to import, licenses to store and licenses to store for purposes of sale. It is this last form of license with which we are particularly concerned today and which has given rise to this Bill, that is, licenses to store for the purpose of sale. Such a license is given only to the owner of the pump and the owner is, under the law at present, the only person who remains liable for any breach in the terms of the license. It has recently been found that it is difficult in certain cases to obtain a conviction against the owner. The owner appoints a person to act as agent, but as the law stands at present that agent cannot be prosecuted. But the license contains terms of various descriptions, terms which refer to structural matters connected with the pump and in such matters the owner is the person liable and who should ordinarily, be prosecuted. But there are other terms in the license, such for instance, that the agent cannot deliver petrol to a car while the engine is going and in that case it is difficult to hold the owner of the pump liable and it would be the agent who actually breaks the condition of a license and who should be prosecuted. Now that term has a considerable danger significance and it is advisable that the agents in charge of pumps should follow the conditions laid down in the license. The Bill has been introduced for the purpose of making not only the owner but also the agent put in charge of a pump by the owner liable. It remains merely to add a few words regarding the drafting. The agent before he becomes liable must have been placed in charge of the place by the licensee. No attempt has been made in the draft Bill to lay down the qualifications of an agent. That will be prescribed by the rules. Otherwise the drafting of the Bill is fairly wide and covers every breach of a license that might occur—every breach of the terms of any existing form of license and of any forms of license that may be approved in the future. It covers

not only breaches in connection with storage and import but also breaches in connection with transport, because cases might arise in which a person has been placed in charge of a particular place by the owner and petrol might be there in course of transit and breach of the license might occur in connection with such petrol.

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. H. C. PRIOR: Sir, I move :—

“That the Bill, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

BERAR LAWS BILL.

THE HONOURABLE MR. SHAVAX A. LAL (Nominated Official): Sir, I move :—

“That the Bill to extend certain Acts to Berar, as passed by the Legislative Assembly, be taken into consideration.”

Sir, this measure is purely formal in character and it makes no change of substance in the laws now in force in Berar. The sole object of this Bill is to eliminate certain administrative inconveniences resulting from the existing legal position, which briefly stated is this. Before the commencement of the new Government of India Act, Berar was not deemed to be part of British India and neither the Indian Legislature nor the Legislature of the Central Provinces had any power to legislate for that area. Consequently, the laws in force in the Central Provinces had to be applied to Berar by notification under the Indian (Foreign Jurisdiction) Order in Council. When the new Government of India Act came into operation on the 1st April, 1937, Berar was, by virtue of section 47 of that Act, deemed to be part of British India and the Indian Legislature as well as the Legislature of the Central Provinces was empowered to legislate for that area. The laws previously applied under the Foreign Jurisdiction Order in Council, however, continued to be in force in that area. Those laws, however, were in the contemplation of law treated as distinct from the laws *proprio vigore* in force in the Central Provinces. One result of this dual system of laws is that notifications and statutory rules issued under identical provisions, operative both in British India and in Berar have to be issued separately for British India and for Berar. To take one instance, all rules and notifications issued under the Indian Electricity Act *proprio vigore* in British India have to be issued all over again under the Foreign Jurisdiction Order in Council. This, as Honourable Members will no doubt agree, is very inconvenient both to Government and to the public. This Bill proposes to eliminate that inconvenience by applying all laws in force in the Central Provinces to Berar.

Sir, I move.

The Motion was adopted.

The First, Second and Third Schedules were added to the Bill.

[Mr. Shavax A. Lal.]

Clauses 2 and 3 were added to the Bill.

The Fourth Schedule 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. SHAVAX A. LAL: Sir, I move:—

“That the Bill, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

ASSAM RIFLES BILL.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Education, Health and Lands Member): Sir, I move:—

“That the Bill to provide for the regulation of and maintenance of discipline in the Assam Rifles, as passed by the Legislative Assembly, be taken into consideration.”

Honourable Members will find a fairly full indication of the purpose of this Bill in the Statement of Objects and Reasons and I do not think that I would be justified in recapitulating what is contained in that Statement in all its completeness. Briefly stated, the purpose of this measure is to rectify what is a constitutional anomaly. This force is primarily designed for watch and ward purposes on the north-eastern frontier of India, a frontier happily not quite so conspicuous in the news as the north-western frontier but nevertheless having on its border tribes who occasionally indulge in such sanguinary pastimes as head-hunting. The Central Government have the disposal of the Assam Rifles in the main, though the Provincial Government pay a certain contribution because a fraction of this force is supposed to be at their disposal. The Auditor General in India has held that, considering that the Central Government make the main contribution (I think it is 43/58ths of the total cost), the force should be made entirely Central. Now, the revenues of Assam will benefit by this to the extent of 15/58ths. On the other hand, the Provincial Government would not in any way be deprived of such services as this force has been able to render to them in the past. I think the House will agree that this is constitutionally a proper and financially and administratively an equitable measure and lend its support to it.

Sir, I move.

The Motion was adopted.

Clauses 2 to 6 were added to the Bill.

Clauses 7 to 13 were added to the Bill.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR GIRJA SHANKAR RAJPAI: Sir, I move:—

“That the Bill, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

INDIAN RAILWAYS (AMENDMENT) BILL.

THE HONOURABLE MR. L. WILSON (Chief Commissioner for Railways): Sir, I move:—

“That the Bill further to amend the Indian Railways Act, 1890, as passed by the Legislative Assembly, be taken into consideration.”

Sir, this Bill seeks to make more deterrent the provisions of the Indian Railways Act relating to ticketless travel. For many years Railways have felt that the existing provisions are inadequate for the purpose. In 1939-40 the number of passengers detected without proper tickets was 3,850,000 of which about 1½ million were mendicants and *sadhus*. This indicates the magnitude of the problem which Railways have to face.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: Can the Honourable Member give some figures for previous years? He quoted figures for 1939-40. Will he please give figures for any other year?

THE HONOURABLE THE PRESIDENT: That is not necessary at this stage. He can only state what is relevant to this debate.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: Unless he gives us some comparative figures, how can we know whether the evil is increasing or decreasing?

THE HONOURABLE THE PRESIDENT: It is part of your duties to find that out from the relevant reports of the Railways.

THE HONOURABLE MR. L. WILSON: This indicates the magnitude of the problem which Railways have to face. We realize that the problem cannot be solved by legislative action alone. But the fear of greater punishment than can at present be imposed and an increase in the excess charges to be levied will doubtless have a good effect. The Bill deals with no offence which is not already covered in the existing Act and the distinctions existing between sections 112 and 113 of the Act have been maintained. The proposed amendments of the Act deal mainly with more appropriate punishment than at present, treatment of a person who remains in a carriage without a proper ticket in the same way as a person entering a carriage without a proper ticket and the removal of ticketless travellers from carriages.

Sir, I move.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar: Non-Muhammadan): Sir, I thought that the Honourable Mover of this Bill will throw some light by quoting some figures which will show to the House whether the evil of ticketless travel was appreciating or depreciating, because unless we know that, it is not possible for us to say or to come to the conclusion that the present provisions of the Act are proving inadequate for their purpose. I think the legislator should only come into play when he finds that the present provisions of an Act have either proved inadequate or infructuous. The Honourable Mr. Wilson has not done anything to help us in that direction. Of course in spite of that I would like to assure him that there is no Member of this House,

[Rai Bahadur Sri Narain Mahtha.]

and I should think no sensible and responsible person outside this House who would like to support ticketless travel. But there is considerable difference of opinion between the Members on this side of the House and on the Government benches with regard to the method which is to be adopted in dealing with ticketless travel. I clearly think that the evil of ticketless travel has been greatly exaggerated; because, I find from the figures just quoted by the Honourable Mr. Wilson that out of 3,850,000 persons, 185,000 were mendicants. From these figures alone we cannot know if it is the criminal propensity of the citizen that has developed or whether the evil is growing on account of the growing poverty of the people. I would not, however, on the ground of poverty even, like to defend the ticketless traveller. But, I should like to say that the provisions of the present Bill are far more drastic than the exigencies of the present situation seem to require. Sir, in my opinion far more necessary than punishment is the detection of the ticketless traveller and, I think, it is necessary to make checking more effective so that every ticketless traveller could be detected. I strongly believe that if you can make your method of checking so effective as to find out every person who is travelling without a ticket and if you can take action against him under the existing laws, you can very effectively cope with the evil of ticketless travel, whether it is at present growing or depreciating. I should think, Sir, that the defect lies in the effectiveness of checking. If you can find out every ticketless traveller and if you can take action against him under the existing provisions of the Act you would certainly be able to check the evil of ticketless travel. If you only did this and did this well, I am quite sure that the present legislation would be wholly uncalled for. Sir, I am not a lawyer. But, I think the most wholesome principle of law is to prefer to let nine persons who are criminals go unpunished than to punish one innocent person. By the present legislation, particularly by section 3 (1) (b) of this Bill which makes imprisonment substantively possible, we are placing too much scope for harassment in the hands of the under-paid railway staff who would initially be the people who will prepare the cases and on whose evidence cases will be decided.

THE HONOURABLE MR. L. WILSON: I rise to a point of explanation, Sir. The low paid staff do not impose imprisonment. It is the Magistrate.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: I quite see that. But the Honourable Member must not forget that I used the word "initially" and said that it will be this staff on whose evidence the cases will have to be built up and decided. Therefore, Sir, I am particularly and wholly opposed to clause 3 (1) (b) which provides for imprisonment substantively. If the provision for imprisonment were in default of payment of charges and fines, the sting would have gone off the tail. I can understand measures being adopted to realize legal charges, i.e., liabilities incurred by a person by travelling on the train. I can also understand fines being imposed on the person who does so. I can further understand that a person being sent to jail if he fails to pay the fine imposed and if he fails to pay the proper charges. But, I can not understand the mentality of Government in one respect, which is this, that he should be sent to jail straightaway in spite of his ability and willingness to pay the fine and the charges. I do not know what particular pleasure this Government takes in sending people to jail and what particular pleasure they take in turning civil liabilities into criminal liabilities.

I would like at this stage to remind Honourable Members of the difficulties that people have in obtaining tickets. I should like to inform the Railway Member and the Chief Commissioner for Railways that nowhere in this world

is the doctrine of the survival of the fittest more in evidence than at a third class booking office, particularly during *melas*. There is one provision in the Bill, section 4(3), which I think is bound to act very unjustifiably against a person who has made a genuine attempt to purchase a ticket, but on account of the rush at the booking office has failed to do so, and who has for want of time not been able to inform a railway official, who, we all know, is not always easily available on every platform. If such a traveller of his own accord at a later stage informs a railway official that he did make a genuine attempt to obtain a ticket and further that he could not find a railway official to obtain a certificate from him earlier and has therefore now come forward again and wants to be granted a proper certificate. I cannot understand why in a case like that he should be asked to pay a penalty. I know that even in the existing Act there is a provision for a penalty in such a case, but the existence of a wrong does not justify its continuance or its aggravation.

I found on reading the speeches made in the other House that one or two Members made suggestions with regard to corridor trains, but I failed to find any reference to this suggestion in the reply of the Railway Member in the other House and to know to what extent it would be expected to serve to check ticketless travel.

I should like to raise one important question while this Bill is before us. Evidently, one of the main intentions of the Bill is to stop leakage of revenue, and, therefore, I cannot, in relation to that, satisfy myself as to the justice of granting passes to railway servants. I think perhaps I will be incurring the grave displeasure of all the railway staff who enjoy these passes by raising this question here.

THE HONOURABLE THE PRESIDENT: That question has nothing to do with this Bill.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: It has, Sir, in this respect that I consider that too as vicious as ticketless travel and that is the main policy involved in this Bill. What I was going to say is this—and I assure you that my argument will be very brief—you do not allow that kind of facility to any other kind of Government servants, why then allow it to railway servants only. A man serving in the post office is not allowed to post a certain number of letters free every year; a man serving in the telegraph department is not allowed to send two or three telegrams free every year; a man employed in a civil court is not allowed to file a couple of civil suits free every year. Why then is it necessary in the case of railway servants to favour them specially? Besides, this practice results in unnecessary overcrowding of trains and causes inconvenience to travellers.

THE HONOURABLE MR. L. WILSON: I do not think this has anything to do with the Bill.

THE HONOURABLE THE PRESIDENT: I have told the Honourable Member that. He can deal with that point by way of a Resolution if he wishes. It has no connection whatsoever with this Bill.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: It has got a great deal to do with this Bill in that you have a penalty in this Bill for a person who occupies a higher class of compartment than he holds a ticket for and, therefore, Sir, I claim that you have no right to overcrowd the compartments. You have provisions for overcrowding in the Railway Act. The

[Rai Bahadur Sri Narain Mahtha.]

Honourable the Railway Member might in his reply give me information with regard to sections 93 and 95 of the Railway Act. Section 93 relates to the maximum load to be carried in each wagon and truck, and section 95 relates to the reservation of compartments for females, etc. I would like to know if Government ever had any occasion to take action on any of the railways for delinquencies in these two respects.

THE HONOURABLE THE PRESIDENT : We are dealing with the Bill now and not with questions relating to other sections of the Railway Act.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : Sir, I am putting these two questions because I want to know if the railways themselves are discharging their own obligations to the public. Before they attempt to condemn the travelling public, I want to be satisfied that the railways are discharging their liabilities and obligations to the public properly. That is all I want to say on this Bill, which I oppose as unnecessary, unreasonable, and capable of causing unjustified hardship to innocent and well intentioned people.

(At this stage the Honourable the President vacated the Chair, which was taken by the Honourable Sir David Devadoss.)

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I agree generally with the observations which my Honourable friend Mr. Mahtha has made. My opinion is that the Railways must make adequate arrangements to stop the evil of ticketless travel. My information is that since the inauguration of travelling ticket collectors and flying squads a great deal of ticketless travelling has been curtailed, and if these squads are strengthened ticketless travel will still fall very much. I would like the Chief Commissioner for Railways to kindly tell us whether the proposed imprisonment clause exists anywhere else in the world. I agree that ticketless travel must stop, but whatever legislation you may be armed with ticketless travel will go on. We find that notwithstanding many penal laws, murders, theft, dacoities, and other crimes are going on increasing. You can minimize the number but you cannot positively stop the evil. Why not introduce corridor carriages and let there be a ticket collector or checker on every train ? He must see that no ticketless person enters the carriage and no ticketless person gets exit from that carriage. By doing that, ticketless travelling will be reduced to the minimum. Decent lorries are now running on various routes wherein every sort of comfort is provided. The imprisonment clause will in my opinion divert passenger traffic more and more to the lorries, particularly to those lorries which have cushions and other amenities. I also ask why should one carrier, whether he carries goods or passengers, should be given preference over another ? The railway earnings admit of increase in the number of travelling ticket collectors or flying squads. As I travel a lot I know how these squads work. I must tell the House that if there are more people like Mr. Bahadur Singh who is a chief travelling ticket examiner on the North Western Railway, Delhi Division, the number of ticketless travellers will be reduced to the minimum. I mention the name because I have found him a typical sort of a supervising travelling ticket examiner. Sometimes in travelling a person drops his ticket ; it is mislaid, and suddenly he is found travelling without a ticket. Will you send him to jail ? How will you decide between an honest and a dishonest person ? Now, with the introduction of bigger engines you have long trains and it is impossible for a

passenger travelling in a carriage nearer the engine to reach the guard and to get a certificate. It is a practical difficulty. In theory everything seems possible, but when you translate it into practice you will find that it is not easily workable. As my Honourable friend Mr. Mahtha has observed, the Railways should not transfer one's civil liability to a criminal one in order to find a suitable remedy for ticketless travel and thus ask Government to make ticketless travel a criminal offence. Under the present law it is a civil liability. As the Honourable the Chief Commissioner has explained in his Blue Book and in his speeches, most of the ticketless travellers are either mendicants, *fakirs* or *sadhus*. A *fakir* or a *sadhu* can easily be recognized on any platform and everybody knows that these fellows who are penniless generally travel on the railways without tickets. If you send them to jail they don't mind it ; rather prefer it and say, " We have to work hard in our homes ; if we work hard in the jail, where lies the difference ". On the other hand, they get free ready food in the jail. They say that at home too they have to work hard and even then go without food sometimes. How will you deal with such people and what justification will the Railways have to saddle all the taxpayers in general with increased taxation for want of provision of adequate staff by the Railways ? Is that just ? Is that fair ? Why to tax the general taxpayer who seldom travels on the Railways ? If for want of adequate establishment, the railways fail to stop ticketless travel, they must blame themselves. Railway is a business and in business you should attract traffic, whether it is passenger or goods traffic. By the introduction of this penal imprisonment clause you do not attract traffic, but, on the other hand, you discourage it. As far as upper class passengers are concerned, I presume that there is no ticketless travel. The present first class fare is equal to the expense of your motor car replacing railway journey. I find that one or two friends of mine prefer to travel in their own car than by railway—for short distances anyhow. You will thus divert short distance traffic of higher classes to one's own car. Although the number of second class passengers is many times higher than the first class passengers, you are practically giving second class the same accommodation as first class and thus discouraging and forcing the second class traveller to travel in a lower class, inter or third ; and thus the railway administration is not doing their duty as regards earning the increased revenue is concerned. I therefore oppose strongly the imprisonment clause. Government should increase their travelling ticket collectors or flying squads and thereby reduce ticketless travel to a minimum. As far as *fakirs*, *sadhus* and mendicants are concerned, they ought not to be allowed on the platform. Why are they allowed on the platform ? Everybody can recognize them by their robes or dress. How do they get on the platform ? Who is responsible for allowing them on the platform ? Surely somebody is to blame. Whether you send them to jail or give them regular imprisonment for life, they do not care ; there is no deterring sentence on them ; they are habitual offenders. Once you begin to send them to jail, they will become jail birds as other habitual criminals are. Therefore, Sir, I think the Railways are wrong in thinking that by sending these ticketless travellers to jail they will materially increase their income. On the other hand they will add to the burden of the general taxpayer and thus add to the discontent. Before, Sir, giving any imprisonment or inserting such a penal clause, Government would be well advised to take out that clause and increase travelling ticket examining staff and try another experiment by having corridor trains in which at the entrance or exit of the coach there should be a special employee to check incomers and outgoers.

With these remarks, Sir, I oppose the consideration of this Bill.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan) : Sir, there is no doubt that much of the rigour of the Bill as originally introduced in the Legislative Assembly has been softened in its passage through the other House, but still, Sir, there are provisions in the Bill which are obviously unfair and highly repugnant. As regards some of the improvements that have been effected in the other House, I might mention the provision that women and children who are not accompanied by adult male members will not be allowed to be removed from the Railways between the hours of 6 P.M. and 6 A.M. That is a step, Sir, in the right direction. There is also an amendment as regards section 4 of the Bill.

(At this stage the Honourable the President resumed the Chair.)

That is in regard to the way in which the magistrate comes in for helping the railway servant to realize the money recoverable from the passenger who travels without a ticket or who has got to pay an excess charge. In that section as it originally stood, the magistrate on the report of the railway servant, had straightaway to take steps to realize the fine and in default of the payment the magistrate had to give a sentence of imprisonment to the passenger. Well, this thing has been removed and now a provision has been inserted to the effect that the magistrate before taking steps must satisfy himself that the charge made against the person is correct. However, Sir, no steps have been taken to make it clear in the section which of the railway servants would be given this authority. It all depends upon the person who approaches the magistrate. If he is to be a very low-paid servant, a very small subordinate, it is quite likely, Sir, that these provisions of the Act may be very seriously abused. Therefore, in order to avoid any misuse of the powers which would vest in the railway servants, the railway authority should take care that the man who is empowered to make the complaint to the magistrate should be one occupying a place of responsibility in the railway administration.

THE HONOURABLE THE PRESIDENT : As a lawyer have you ever found any Act perfect ?

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : No, Sir, but it should be our endeavour to make the law as flawless as is humanly possible. My point is that to give a free hand to railway servants of whatever rank to make a complaint to the magistrate would be to invite misuse of the Act, and there should be some rule that the authority should vest only in servants of a certain rank and above that rank.

Again, Sir, as has been observed by my Honourable friends who preceded me, it is a very strange provision that is embodied in this legislation, the provision of imprisonment for a person travelling on the railway without a ticket. This kind of legislation, Sir, so far as I know, does not exist in any of the countries of the west. They are highly civilized countries and it is quite natural that, if such a step had been really advisable and fair, those countries would have taken care to legislate on those lines. The fact, Sir, that no such provision exists at all in any of those countries goes to show that this is quite a novel kind of punishment and, as we all know, the object of this legislation, so far as the railway is concerned, is merely to prevent leakage, is merely to prevent persons depriving the railways of the money which is due to them for carrying these persons to their destinations. If that is the object, and that alone can be the object of the railway administration, there is no reason why the railway should go in for such things which, on the very face of them, appear to be rather vindictive. As has been observed by the Honourable the Leader of the Progressive Party, no rigour in the punishment, not even the extreme

penalty of death, could deter persons from committing offences. All that we have got to do is to see that the object that we have in view is achieved. Now, your object is to try and see that the people who travel on the railway do not do it without making the necessary payment for being carried on the trains. If that is your object, Sir, your first endeavour should be to try and recover the money from them and if in spite of all your honest endeavours you fail to do so then alone should you resort to more drastic measures. Sir, this is the feature of the Bill which is most objectionable and it is very difficult for Members on this side of the House to give it their support.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I was rather disappointed with the speech of my Honourable friend Mr. Wilson. He did not throw much light on this Bill and he did not, as far as I could see, make out a case for it. Sir, the Bill has a certain history behind it. I will not go into all that history at length but I will remind the House that a Bill was introduced in 1936, then it was circulated for public opinion, opinions were received in 1937, the Bill was referred to a select committee and I believe the select committee never reported. The Bill was dropped and now again it has been reintroduced in a modified form. I admit that the modified Bill is better than the original Bill in certain respects. It was reintroduced in a modified form in November last.

Sir, so far as the principal aim of the Bill is concerned, there can be no difference of opinion. The principal aim of the Bill is to deter persons from using railways without proper tickets and passes. Now, my friend the Honourable Mr. Mahtha, who is very well known in this House for lucidity and eloquence, has dealt with great ability with the various clauses of the Bill. I will not repeat the able arguments which he has already advanced. But I will say this, that no doubt ticketless travelling is improper. So many things are improper. It is improper to go to a restaurant without having money in your pocket and then, when the bill comes, refuse to pay.

This is a case of pure civil liability. If I go to the Imperial Hotel and if I order a good meal there, and after having a good meal I say to the Imperial Hotel people, "Well, I am very sorry I have not got any money with me ; I will try and see if I can send it to you" they cannot surely arrest me for not paying the bill. I incur a civil liability. They may put me into court and try to recover through the civil process the sum due to them or they may write off the whole sum as a bad debt. Morally, a thing like that is most reprehensible. But all moral wrongs are not wrongs which ought to be recognized by the criminal courts as fit objects of punishment. It is wrong for me to invite a person to dinner and then tell him, "I am very very sorry I invited you to dinner, but please clear out of my house". The law will take no notice of such action on my part—

THE HONOURABLE THE PRESIDENT : Do you know of any case where a man has been willing to pay the money and yet has been prosecuted ?

THE HONOURABLE MR. P. N. SAPRU : I have not investigated all the cases.

THE HONOURABLE THE PRESIDENT : Do you know of a single case in which a man who has been willing to pay has been prosecuted by the railway companies ?

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COUNCIL OF STATE

[11TH MARCH, 1941]

THE HONOURABLE MR. P. N. SAPRU : I know this, Sir, that the subordinate staff in our country unfortunately is not yet up to the mark. Sometimes one bears a grudge against a person; he finds him in difficulties and he tries to harass him. I know, Sir, that endeavours have been made to improve the conditions of service in certain services. But still, the standard of the subordinate service is not as high as it should be or as it might well be. Therefore, it is quite conceivable that a case such as you contemplate might have occurred. I am not aware of any such case myself but I would not exclude the possibility of a case such as you contemplate having occurred.

Sir, before we commit ourselves to a change of the character recommended by the Honourable Mr. Wilson we are entitled to ask ourselves whether the evil is as great as the Railway Companies make it out to be. I am sure that Sir Muhammad Yakub will say that the evil is much greater than the Government makes it out to be, loyal as he is to everything that the British Government stands for in this country. But that is not my mentality. I have not been indebted to the Government for anything in life so far. I can approach this question from a more detached point of view. Sir, it has not been shown that a large proportion of the travelling public travels without tickets. We have not been supplied with any figures on the question so directly put by the Honourable Rai Bahadur Sri Narain Mahtha as to the number of people who travel without tickets year after year.

THE HONOURABLE MR. L. WILSON : Might I give them now, Sir ?

	Millions.
1928	2.42
1933	2.9
1934	2.7
1935	2.9
1936	3.2
1937	3.1
1938	3.3
and for the last year, 1939-40	3.85

So, you will see, Sir, they have increased.

THE HONOURABLE MR. P. N. SAPRU : Take the railway traffic. Has it also been increasing and is the increase in proportion to the increase in railway traffic ? What was the total number of passengers and what was the ratio of the ticketless traveller to the total number of passengers ?

THE HONOURABLE THE PRESIDENT : You are entitled to put a question, but the Honourable Rai Bahadur Sri Narain Mahtha asked a simple question, "How many travelled without tickets ?"

THE HONOURABLE MR. P. N. SAPRU : I am just now asking, Sir, the comparative figures for the number of people who travelled and the number of people who travelled without tickets.

THE HONOURABLE MR. L. WILSON : Numbers detected per lakh of passengers travelling :—

1928	391
1933	591
1934	545
1935	571
1936	628
1937	593
1938	616

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Does it mean that the flying squad and travelling ticket examiners have not been able to effect any decrease in the number of ticketless travellers.

THE HONOURABLE MR. P. N. SAPRU : I take these figures as they are. According to the latest figure, the number of passengers who travelled by the Railways was—

THE HONOURABLE MR. L. WILSON : The number detected per lakh of passengers travelling in 1928 was 391 and in 1938 was 616.

THE HONOURABLE MR. P. N. SAPRU : I assume that one of the arguments of my Honourable friend Mr. Wilson will be that figures for undetected passengers are not available. Sir, how do we know in the first instance that there are undetected passengers ? If the figures for undetected passengers are not available, how do we know in the first instance that there are undetected ticketless passengers ?

The second point is this. Assuming that there are undetected ticketless passengers, then the proposition follows that the system of checking and issuing tickets of the Railway Administration is defective. That means that the staff employed by the Railway Administration for checking and issuing tickets are inadequate and incompetent, that supervision over the checking staff is defective and needs to be considerably improved and that the staff is not doing its duty properly. Well, you, Sir, have been pleased to ask me about my personal experience and I will tell you my experience.

THE HONOURABLE THE PRESIDENT : I say this, assuming all that you say is true, is that any reason for cheating the railway ?

THE HONOURABLE MR. P. N. SAPRU : No, no. There is nothing which we hate more than cheating. But, Sir, if the public is to be expected to do its duty and if the Legislature is expected to do its duty by the railway administration, then the railway administration also must do its duty to the public and to the Legislature. Before you ask the Legislature for a change in the law you must show that you have perfected your machinery and that after so perfecting it you have come to the conclusion that some other method is necessary in order to check the evil. You want to modify the existing law. Therefore the burden of proving that a vital change in the existing law is needed is upon you. You have to convince us that the present law is inadequate to deal with the evil which exists, that you have tried other indirect methods which we are suggesting for dealing with this trouble and that those indirect methods have failed. After you have made out that case, certainly you will be in a better position to ask the Legislature to help you.

[Mr. P. N. Sapru.]

Sir, I will come now to another line of argument. Will the Bill meet the desired end? Will it stop ticketless travel, assuming that ticketless travel exists? You have heavy penalties for dacoities, for theft, for robbery, for murder, for forgery, for crimes of passion and violence, and what is our experience? Read the administration reports of various Provincial Governments. Has crime been on the increase or on the decrease in various parts of the country? I have been reading some of the administration reports of Provincial Governments and I can say this, that there has been a tendency in this country for crime to increase. Why is there this tendency for crime to increase? It has been increasing in Sind, in the North West Frontier Province; it has increased in the United Provinces; it has increased in other provinces.

THE HONOURABLE MR. L. WILSON: Unless the Honourable Member is suggesting that it is the fault of the Railways that crime has increased, I do not know what it has to do with this Bill.

THE HONOURABLE MR. P. N. SAPRU: The point I am making is this. The penal laws in this country are very severe. You have the maximum penalty for murder; you have a very severe penalty for dacoity, for robbery, and other crimes of passion and violence, and yet these crimes, in spite of these deterrent punishments have been on the increase. By merely converting a mild sentence of fine into a sentence of imprisonment you will not be able to deter people from travelling without tickets if they want to do so. Therefore my proposition is that the method suggested by you is no solution of the problem. By the method suggested by you, namely, as was pointed out by Mr. Mahtha by making imprisonment a substantive punishment you will not deter people who want to travel without tickets from doing so. You will not solve the problem of ticketless travel by that method. As a matter of fact the pauper will welcome that sentence. If he has nothing with which to pay what does it matter to him if he has to go to jail as His Majesty's guest for 15 to 30 days or even for three months? The cash penalty is in many cases a greater deterrent, and I would have preferred your raising of the maximum fine from one hundred to two or three hundred rupees. That might have proved to be a greater deterrent than the punishment of imprisonment. You may say that the change in section 112 does not mean that the magistrate must necessarily send the man to prison; but when you make a change in the law magistrates then take to considering the reason for the change; they think that probably the Legislature intends them to pass the severer sentence of imprisonment and therefore there will be a bias in the mind of the magistrate in favour of sending people to prison. Then, so far as the public revenue is concerned, it will not gain by this method. Therefore the point I wish to make is that this stiffening of the provisions regarding ticketless travelling will not solve the problem. Is it not a fact that even highly placed officers sometimes carry persons in their saloons without tickets? I will tell you an experience of my own. I am a very conscientious and honest man, I can assure the House, so far as the Railways are concerned, and I never care to cheat anybody. I will tell you this experience of mine without mentioning the name of the officer but he was a high railway officer. He and I were travelling together from a certain railway station. I had a return ticket but I arrived very late and I had not time to purchase my servant's ticket. I was rather worried about it but this officer said, "Don't you worry; it is all right; I am with you here". He and I were travelling in the same compartment and when I got down at Agra he spoke to the ticket collector and told him that my servant was his

man and to pass him out. Well, I did not want to put him in an awkward position, but it worried me a lot that I should be cheating the railway though it did not worry the officer at all. He said I could go without paying and I have never paid the railway for that poor servant of mine. Now, Sir, I can assure my friend Mr. Wilson that this gentleman was a highly placed railway official, and if he has such a comfortable conscience why blame the ordinary mendicant who has no conscience and no money. Therefore—I hope my friend the Honourable Mr. Wilson will not mind my speaking frankly—a higher standard is needed on the part of the officials and the railway servants also in this matter. Railway servants use the railways as if they were family concerns. Before I commit myself to this Bill, before I give my blessing to this Bill, I should like to see an improvement in the morale of the railway administration, of the railway staff, in this respect.

There is another consideration which weighs with me so far as this Bill is concerned. Facilities for the purchase of tickets are very bad in wayside stations. At small stations one person has to perform the duties of train receiving; he has to perform the duty of train despatching; he books luggage and parcels, he issues tickets and he collects tickets. In these small stations you have very few trains running. I think you have a train once in 12 or 14 hours. Men who come from the villages have to wait for hours before they can get tickets and those who come late often fail to get tickets as the babu is busy with other duties. What happens is this. A passenger has some urgent work; his mother is probably very seriously ill; his father is probably dying; his brother is involved in a criminal case and he must be in the High Court to look after his brother's case. Such urgent work the poor fellow has got. He cannot get hold of the babu. He cannot see the guard; the guard is invisible. Lighting arrangements at these small stations are very bad. He must somehow get to Allahabad, or to Sir Muhammad Yakub's place, Moradabad, by a certain time—

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House): I do submit, Sir, whatever the sence of humour of my Honourable friend speaking opposite might be, there is no justification for referring to any Honourable Member by name too often.

THE HONOURABLE MR. P. N. SAPRU: I was only referring to his place Moradabad. He has got to go there. He must take the risk and he gets into the train and then he is found travelling without a ticket; then the babu comes and bullies him because he has not paid for his fare. The poor man does not know any accounts. He cannot even read and write. The babu gives him some fanciful figure and he comes out with that fanciful figure and on the top of it he pays him a rupee or two because otherwise he thinks he would be put in prison. That is what happens every day in life. We have got to deal in this country with a vast illiterate population and as we have got to deal with staff upon whose character we cannot always implicitly rely, we have to be careful to see that people are not subjected to unnecessary humiliation.

Sir, I would like the House to consider the question from another aspect also. Personally I look upon the Railways as a public utility concern which ought not to be run strictly according to commercial principles; but that is not exactly the point of view of Government. Their view is that Railways ought to be run principally as a commercial concern. Now, Sir, we have got two competitors here; we have got the motor bus and we have got the railway, and often you find people going into a motor bus without paying for the motor bus. If you were to examine the figures of ticketless motor bus travel and

[Mr. P. N. Sapru.]

ticketless railway travellers, you would find that the number of men who travel without tickets on motor buses is greater than the number of men who travel without tickets on railway trains. You are not enacting a law similar to the law in regard to the Railways so far as motor buses are concerned. There are these two competitors, and in areas where you have this competition between railways and buses, I am not sure that the poor man will not hereafter prefer the bus to the railway. He will say, "I will be more safe with the bus, I will be able to save my *izzat* if I travel by the bus. I may or may not be able to purchase a ticket; if I travel by the bus I shall be certain of not going to jail".

THE HONOURABLE THE PRESIDENT: The private individual must look after his own interest; we must look after public revenues.

THE HONOURABLE MR. P. N. SAPRU: Therefore I prefaced my remarks by asking either you look upon the Railways as a public utility concern, in which case you must run them on a different principle altogether or you look upon them as a commercial concern. So far as I have been able to study the Government of India Act, I find that the justification for the statutory railway authority is that the framers of the Government of India Act intended the Railways to be treated as a commercial concern. Therefore the analogy which I have just ventured to suggest is a right analogy.

I will now come to the clauses of the Bill. After making these general observations, I will come, Sir, to the clauses of the Bill—

THE HONOURABLE SIR ANDREW CLOW: I suggest that the discussion of the clauses might be left over until the clauses are taken up.

THE HONOURABLE MR. P. N. SAPRU: I will indicate in a general way what the objections to some of the clauses are. To take, Sir, clause 2, a new sub-section is to be added here, namely:—

"A railway servant when granting the permission referred to in sub-section (1) shall ordinarily if empowered in this behalf by the railway administration grant to the passenger a certificate that the passenger has been permitted to travel in such carriage upon condition that he subsequently pays the fare payable for the distance to be travelled".

Now, Sir, I would like to ask the Honourable Sir Andrew Clow and the Honourable Mr. Wilson, what the word "ordinarily" means here? I think, Sir, that the word "ordinarily" gives far too much discretion to the railway servant. The granting of certificates should be compulsory. If a man goes and says: "Well, I am travelling here without any railway ticket and I am prepared to pay for the ticket", then the railway servant ought to have no discretion in the matter. Well, if you give discretion you give scope also for abuse of that discretion and I very much regret that the word "ordinarily" occurs here in this clause. It will enable the railway servant or railway employee to charge something before he issues the certificate. He will say: "Oh yes, I will give you the certificate, but....but....but...." and the "but" will mean that you must give him a tip of eight annas or a rupee or two rupees as the case may be before the certificate will be issued. Well, Sir, I do not want that kind of thing to be encouraged and I am very sorry that this word "ordinarily" occurs here. I think it is liable to great abuse. The Honourable Sir David Devadoss is a great authority here on legal matters and he will be able to say whether my interpretation of the word "ordinarily" is correct or not. My suggestion, therefore, Sir, is that the granting of certificates should be compulsory.

In section 3(b) we read—

"after the words 'shall be punished' the words 'with imprisonment for a term which may extend to three months or' shall be inserted".

THE HONOURABLE THE PRESIDENT: You have not given any notice of amendment for the deletion of those words. So this is a useless discussion.

THE HONOURABLE MR. P. N. SAPRU: Very well, Sir. I am opposed, as I said before, to the imprisonment clause. I would not mind making the fine sentence a heavier one. If you think that Rs. 100 is too small, you could raise it to Rs. 200 or to Rs. 300, but I am opposed to the imprisonment clause. After all, the main consideration here is the public revenue and I do not see that you gain anything so far as public revenues are concerned by sending people to jail. As I said before, if I travel in a steamer and do not pay my fare, I do not go to jail, but if I travel by rail and do not purchase a ticket, I can go to jail. I do not see why there should be a distinction between a steamer and the railway and I do not see the distinction between a bus or lorry and a railway, and I therefore find myself enable to support the clause which gives authority to the magistrates to inflict a sentence of imprisonment straightaway.

Then, Sir, I do not also quite like this clause, clause 4, which seeks to amend section 113 of the Act—

"(3) The excess charge referred to in sub-section (1) and sub-section (2) shall be a sum equivalent to the amount otherwise payable under those sub-sections, or eight annas, whichever is greater:

Provided that where the passenger has immediately after incurring the charge and before being detected by a railway servant notified to the railway servant on duty with the train the fact of the charge having been incurred, the excess charge shall be one-sixth of the excess charge otherwise payable calculated to the nearest anna, or two annas, whichever is greater:

Provided further that if the passenger has with him a certificate granted under sub-section (2) of section 68, no excess charge shall be payable".

But if I am travelling by a particular train and I happen to arrive late and I cannot get into communication with the guard or with the station master—it has happened with me myself—and I inform them at the next railway station that I happen to be travelling by this train and here is the money, I don't see any reason why I should be made to pay an extra sum which is in the nature of a penalty. I have not been able to discover the ethical justification, if I may use the term here, for this clause. You may say that I should have come earlier. But sometimes a man is not master of his circumstances. I leave my house. My motor car breaks down on the way. I arrive on the railway platform just about the time that the train is going to leave; I cannot get a ticket and I am an honest man I go and tell the guard on duty or I go and tell the station master, whoever is the right person, at the next station: "Look here, I am travelling without a ticket; I could not purchase a ticket under these circumstances". It happened with me once. I was travelling from Allahabad to Calcutta. I arrived just two or three minutes before the train left. I could not get my ticket. As a matter of fact, my servant had taken the precaution of sending a telegram to the station master at Mirzapore. The station master said it was perfectly all right and he did not give me any trouble. But, Sir, unfortunately the average man in this country is not as intelligent as Members of this Council and if a situation like that arose, I do not know what the average man here in this country would do.

THE HONOURABLE MR. L. WILSON: Might I point out, Sir, that there is already in the existing Act a provision for an excess charge in such circumstances?

THE HONOURABLE MR. P. N. SAPRU: I would like to say, Sir, that in the first place that is no ground for continuing it. In the second place, I think the charge has been increased. Under the existing Act, if I am not mistaken, you charge a rupee and two annas or something like that. But here you will charge a certain fixed proportion. And therefore the penalty hereafter will be greater.

Then, Sir, I do not like the clause about ejection also, although I think there has been some improvement in this clause. We know, Sir, that women and children in this country have often to travel under difficult circumstances. I know that the hours will be between 6 A.M. and 6 P.M. and they can only be ejected at a junction or terminal station or station at the headquarters of a civil district, but even so, Sir, I am not satisfied in my mind that inconvenience will not be caused to women and children by this clause. I am apprehensive, Sir, that other evils may creep in. Therefore, I do not feel happy over this clause either.

We hear a good deal about ticketless travel and so on. But we never hear about passes which are so freely given to railway servants who often prove a nuisance to *bona fide* travellers in railway compartments. If a railway servant uses a pass issued for his wife, not for his wife but for his mother or sister or cousin—and he is free to do any thing that he likes—

THE HONOURABLE MR. L. WILSON: Is this relevant, Sir?

THE HONOURABLE THE PRESIDENT: This is not relevant. The Honourable Member is entitled to bring in a Bill, if he likes, for the removal of the grant of all these passes, and then to discuss the whole thing. But it is not relevant at this stage.

THE HONOURABLE MR. P. N. SAPRU: May I just explain, Sir, how this is relevant? The object of the Bill, as I understand it, is to improve railway revenues. One of the measures by which railway revenues can be improved is by curtailing the number of passes that are issued to railway servants. That is how the issue is relevant and that is why I have ventured to comment on this practice.

Sir, the suggestion was made by my respected leader, the Honourable Rai Bahadur Lala Ram Saran Das, that we should have corridor trains in this country. I do not know whether it would be possible for us to have corridor trains immediately. But we can certainly make a move in that direction. If we have a better class of persons for our railway servants, if we pay them a little more adequately than we are doing, if we devise more effective methods of supervision and control, if we devise a better method of checking and re-checking tickets, and if we are not always so particular about the comforts of upper class passengers as we are today, I think we may be able to check this evil without the aid of any special law.

Sir, no particular case has been made out for this measure and therefore I feel that I cannot lend my support to it.

THE HONOURABLE SIR MUHAMMAD YAKUB (Nominated Non-Official): Mr. President, I had no mind to intervene in this debate, but the

spoilt child of my esteemed friend the Right Honourable Sir Tej Bahadur Sapru has provoked me to stand upon my legs. Sir—

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is any Honourable Member entitled to abuse his brother Honourable Member like that?

THE HONOURABLE THE PRESIDENT: You exchange courtesies with him so often.

THE HONOURABLE MR. P. N. SAPRU: I enjoy the remarks of my Honourable friend!

THE HONOURABLE SIR MUHAMMAD YAKUB: I am making these remarks because you enjoy them. Sir, the other day, he called me a Rip van Winkle—

THE HONOURABLE MR. P. N. SAPRU: Because my friend was sleeping, therefore, I called him a Rip van Winkle.

THE HONOURABLE SIR MUHAMMAD YAKUB: I quite appreciate his remarks, because myself and his father belong to the same generation and probably have the same ideas, and—

THE HONOURABLE MR. P. N. SAPRU: No, no.

THE HONOURABLE SIR MUHAMMAD YAKUB:—I think that he looks upon him with the same contempt with which he looks upon me, and, therefore, I think he deserves the contempt which should befall a man like him.

Mr. President, I will now make a few observations about the Bill which is under discussion. It has already been proved that the menace and the mania, to travel without tickets, is increasing every day. Probably it is like the mania of purchasing cheap popularity by making irrelevant speeches in this House. I think that both these crimes come in the same category. Mr. President, it has been shown that the existing law relating to ticketless travel has not proved effective. The only objection that has been raised by several speakers against the present penalty clause is that deterrent punishments do not stop crime in the country. If that be true, then it follows that the whole of the Indian Penal Code should be repealed and there should be no penal law in the country. I do not think that any civilized society would approve of this idea. It has been said that in spite of deterrent sentences, crime is increasing in the country. I think, Sir, that this increase in crime is mostly due to the fact that our political agitators have made going to jail a passport for becoming a leader. The people who are sent to jail are garlanded, they are looked upon as patriots and leaders and therefore the stigma which was attached to going to jail has now been removed and the crime is increasing—

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Therefore you agree that the present measure will not be deterrent.

THE HONOURABLE THE PRESIDENT: Will you please set an example by not referring to irrelevant matters?

THE HONOURABLE SIR MUHAMMAD YAKUB: I am not referring to irrelevant matters, but I am giving a reply to the arguments which have been

[Sir Muhammad Yakub.]

adduced from the other side. Therefore, I submit that if crime is increasing in the country, that is no reason why the punishment for ticketless travel should not be enhanced.

While I support this Bill, Sir, I also agree with my Honourable friends, who have spoken from the other side, that more stringent measures should be adopted to supervise the checking of the tickets and more facilities should be provided for the booking of passengers. I have myself seen that at small stations, particularly at night, when the train arrives, there is not a single soul on the platform to guide the passengers into trains or to show them where to go. Also, on account of, what we call economy or retrenchment, the number of the staff on the railways has been very much reduced and the booking clerks have some times to work for 24 hours, day and night, and it is impossible for them to keep awake the whole night. The result is that at small stations, where trains stop for only two or three minutes, the booking clerk is sleeping at his table, and when the train arrives, knocks are given at his table saying, "Wake up, wake up". He will not wake up, and when he wakes up, he cannot sometimes issue tickets to all the travellers who want to travel. Therefore I submit that while the railway authorities are making provision for giving enhanced punishment to ticketless travellers they should also see that proper arrangements are being made for checking of tickets. It also happens that some of the railway ticket checkers are religious minded and they consider it a sacred duty to allow mendicants and *fakirs* to travel without a ticket. I think the railway authorities should also keep an eye upon this matter. It is also a fact that sometimes the dependants of railway servants travel without tickets, particularly between small stations and between adjacent large towns. For instance, between Delhi and Ghaziabad the dependants of railway servants usually travel without tickets because the ticket collectors and checkers are their friends and nobody challenges them. These are all things of which note should be taken.

I think the best thing would be to introduce the system of having a conductor on every train. I have seen a conductor travelling on the B. B. & C. I. R. mail and he is very helpful to the passengers. I think that if there was a conductor on every train, instead of these travelling ticket checkers, he would be in a better position to stop travelling without tickets.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : A conductor is useful only for upper class passengers.

THE HONOURABLE SIR MUHAMMAD YAKUB : If a conductor is attached to every train he can help all classes of passengers at all stations where the train stops. With these remarks I lend my support to the Bill.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, I do not support the indulgence of free travel throughout the railway system. Nobody will support ticketless travel and I fully agree with Government that ticketless travel has to be checked. But I want to know how far the remedies proposed under this Bill will end this evil. My Honourable friend the Chief Commissioner for Railways has not made out a case for legislation of this character in which a civil liability has been changed into a criminal liability. My objection to this Bill is against this principle. If travel on steamers and buses without paying fares is a civil liability and not a criminal liability, how is it a criminal liability only on the railway? You can take

something by way of damages to recompense you for the trouble involved. I think that is the clear principle in the Railway Act as it stands in those sections where a fine is imposed on a ticketless traveller.

Sir, I do not want to take the time of the House by advancing irrelevant arguments, but I want to submit that, though the Legislature has power to change a civil liability into a criminal liability, they ought to be very careful to see whether there is sufficient necessity for the exercise of that power. Sir, there is no doubt that the number of passengers who travel without tickets is increasing, but the number of passengers as a whole is also increasing. I want the railways to put their own house in order first before coming to us with legislation of this kind. The grievances which have been ventilated by my friends in this House today are real and genuine grievances. If the railways would exercise more stringent control over their staff and also give greater facilities to passengers to purchase tickets, then I think this evil will to some extent disappear.

Then, Sir, I see from the Note of Dissent attached to the Bill that some members of the Select Committee of the other House wanted to discuss certain things with the representatives of the railways. In their Note of Dissent they say, "We wish we could have had a discussion with the representatives of the railway authorities as to the re-selling and re-using of tickets." I do not know why the railway representatives refused to discuss those points with them. If that discussion had taken place some agreement might have been reached and I think the Government would have found some way out of this difficulty.

Then, Sir, the third point that I want to bring to the notice of this House is about clause 112 sub-clauses (a) and (b). In both these sub-clauses the offence is treated on the same level. In the one clause the reference is to a passenger who enters a compartment and in the other to a passenger who uses a used ticket or pass. Both these offences are regarded by the railway authorities as constituting an equal offence, but there is a lot of difference between the two. In the latter case the man deliberately wants to cheat the railway by using a ticket which has already been used.

I submit, Sir, that instead of bringing forward legislation of this kind the proper way for the railways to proceed is to give more facilities to passengers for purchasing tickets and to put their own house in order.

THE HONOURABLE MR. L. WILSON : Sir, I have listened with considerable interest to the criticisms of the proposed Bill and

I P. M.

I have taken note of the constructive criticisms which have fallen from the lips of Honourable Members. Most of what I have heard is destructive criticism of a kind which I cannot appreciate. The argument that deterrent punishments are no longer deterrent in this country I cannot believe. The fact that despite severe deterrent punishments crime is increasing does not, in my opinion, make this Bill any the less necessary. I would remind Honourable Members that it is not the railway or the railway servant who is given the power to impose imprisonment in place of fine. The power still remains, as it always has, with the magistrate, with the court. If the magistrate is not satisfied that the crime deserves imprisonment, he obviously will not impose imprisonment. One of the Honourable Members suggested that to put our house in order we might adopt corridor trains. Some years back we did decide to vestibule our third class carriages and all constructed since that date have been vestibuled. But on Class I Railways we have about 33,000 carriages and the life of a carriage is 30 years. So it will be some time before all such carriages are vestibuled. The object of vestibuling is, amongst other

[Mr. L. Wilson.]

things, to enable the ticket checking staff to get through the train whilst it is in motion. It has been suggested that in no other country is imprisonment imposed for ticketless travel. This is not correct. Imprisonment is imposed in Ceylon, in Kenya, in the Federated Malay States, in South Africa and even in England. The Honourable Rai Bahadur Ram Saran Das suggested that there were more mendicant than other ticketless travellers. This is also not correct, as I have shown from the figures which I gave you in my opening remarks.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : My point was that these mendicants will welcome the change, because they will have no trouble.

THE HONOURABLE THE PRESIDENT : The Honourable Member cannot make another speech at this stage. Will the Honourable the Chief Commissioner please proceed ?

THE HONOURABLE MR. L. WILSON : Another argument I could not understand was that I have given no reason for putting the Bill before the House. Surely the very fact that in 1939-40 there were so many ticketless travellers is a reason for taking more stringent action and I have already, during one of the Honourable Member's speeches, referred to the increase in the number of passengers detected per lakh of passengers travelling from 391 to 616 in 10 years. I contend that that is an additional reason for bringing forward this measure. The Honourable Mr. Sapru, despite his criticism of the Railways and their method, was quite unable to give a case of reputable gentleman found without a ticket being punished by being taken to court and I hope that no such case will happen despite the amendment of the Act. It is not proposed that the court should be resorted to in any such case where an honest passenger is found travelling without a ticket and is prepared to pay at once or at a time more suitable to himself if he is without money at the time, if the passenger is able to satisfy the railway servant that he is giving a *bona fide* address and wishes to pay at a later date, he will not be dragged before the court, so that I feel that the fears which have been expressed are groundless.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : That should be embodied in this Bill.

THE HONOURABLE MR. L. WILSON : In my opening remarks, I did say that this problem cannot be solved by legislative enactment alone and nobody is more aware than I am that it is the duty of the railway to prevent ticketless travel as far as possible. Honourable Members all know the difficulties that are involved in tackling this question within the expenditure which can be afforded ; but nevertheless improvement is necessary and I trust improvement will year by year be obtained. One Honourable Member suggested that the word *ordinarily* had some sinister meaning. "A railway servant when granting the permission referred to in sub-section (1) shall *ordinarily* if empowered in this behalf by the railway administration..." The Honourable Member suggested that *ordinarily* meant he would not issue a certificate unless he received one or two rupees bribe. I do not put that interpretation on the term myself.

THE HONOURABLE MR. P. N. SAPRU : On a point of personal explanation, Sir. What I said was the word "*ordinarily*" gives a discretion to the

railway servant and that discretion might be used by the railway servant to extort some money before he issued a certificate.

THE HONOURABLE MR. L. WILSON : The word "*ordinarily*" in my opinion is necessary because it will not be possible in every case to give such a certificate. The train might be on the point of starting. That I think is quite sufficient to justify the inclusion of the word in this clause.

As regards the Honourable Mr. Kalikar's suggestion that methods to improve the checking of ticketless travellers should have been discussed with Members of the Legislative Assembly, I would say that it is proposed to put the administration of this Act on the agenda of the Central Advisory Council so that we may have a discussion which I trust will lead to better administrative measures being taken for preventing ticketless travel.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Discuss after passing the Bill ?

THE HONOURABLE MR. L. WILSON : After passing the Bill. With these words, Sir, I move.

THE HONOURABLE THE PRESIDENT : Do you wish to address the House, Sir Andrew Clow ?

THE HONOURABLE SIR ANDREW CLOW (Communications Member) : I did not intend to, Sir, but your invitation is difficult to resist.

I listened with some interest to a number of the speeches and also with a considerable amount of confusion. The main argument seemed to me that the Bill was not in the least going to be deterrent, but Honourable Members seemed extraordinarily apprehensive of its effects, which struck me as rather a contradiction. We were told that the very thought of a railway servant coming up to a man and saying, "You will be put in jail" would at once induce that man to bring out a substantial bribe, but on the other hand that he would not be deterred at least by the thought that he might go to jail. The two lines are not at all consistent. Some of the arguments, it struck me, might have been used for the reduction of an enormous number of penalties in the Penal Code, and the Honourable Mr. Sapru in particular seemed to be asking us for perfection. He insisted that we should perfect our system for checking tickets before we asked for fresh legislation. Well, nothing in this world is perfect, not even this Bill. If we wait until we are perfect, we shall never be able to approach this House on any subject whatever. He said this Bill would not solve the problem of ticketless travel. I quite agree. But it will help us a little nearer checking this manifest abuse.

Then he said that, if there are undetected ticketless travellers, that proves that you are completely inefficient, that your staff is corrupt, that your administration is bad, that your supervision is inadequate. Well, there are undetected crimes in other directions but is that given as a reason for failing to have a sufficiently stringent law or for failing to invest the authorities responsible for law and order with adequate powers ? The Honourable Mr. Sapru suggested that an enhanced fine would be more deterrent than a sentence of imprisonment, though I think I detected in his speech an undertone of doubt on the point. But an enhanced fine would only have an influence on a man of means and he is not normally a ticketless traveller. The men who defraud the railway, such as the mendicant and the *sadhu*, about whom we heard so much,

[Sir Andrew Clow.]

are not going to be deterred by the threat of an enhanced fine of Rs. 200 or Rs. 300 that they have no intention of paying. On the other hand, a very important change in the Bill is that imprisonment in default can be rigorous. All those magistrates who are specially concerned in this Act seem to agree that one of the great weaknesses of the present law is that the gentleman who has no money and who is travelling without a ticket can only be given a free rest in jail and cannot be required to do any work; and although the Honourable the Leader of the Opposition seemed to think that even the prospect of working would not be much of a deterrent, I believe that with some of those whom we have in mind, who are not accustomed to contribute to the hard labour of the country, it may prove a quite adequate check on their activities.

I was not able to follow the argument of the Honourable the Leader of the Opposition as regards the diversion of passengers to the road, and the same argument was used by the Honourable Mr. Sapru. He seemed to be afraid that, if we made a demand for tickets, the ticketless travellers would rush into motor lorries and buses. In fact, I think he said his friends, rather than face the demand for tickets or the possibility of going to jail, would travel by private cars.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What I said was that the beggars and mendicant would very much like to go to jail because they would get their food without any trouble and so the penal clause of imprisonment will no longer be deterrent upon the class of mendicants; who comprise most of the ticketless travellers.

THE HONOURABLE SIR ANDREW CLOW: Yes, but I thought my Honourable friend also referred to certain higher class passengers who would prefer to travel by car rather than travel on the railways if this Bill is passed. Well, if they are honest persons, the Bill should not make the least difference to them. But if they do not want to pay us the fare, I am quite content that they should travel by car. In fact, I should prefer it.

In conclusion, Sir, there is a misapprehension on a point to which the Honourable the Leader of the Opposition referred in his speech. He said we were giving this matter a criminal shape. As the Chief Commissioner said earlier, we are not creating a new offence. We still maintain the distinction—not perhaps a very logical distinction—between the man who is attempting to defraud and the man who has forgotten to buy a ticket. It is not a distinction maintained in other countries but we have it here and we have agreed to maintain it. All that we are striving to do is to arrange that the punishment shall be a little more fitting to the crime. I would ask the House to consider whether three months' imprisonment as a penalty for the most aggravated type of offence—it may be a second or a third offence or it may be committed by a large body of men, as we occasionally find—whether three months for ticketless travelling involving a fraud on the community is such an excessive penalty.

THE HONOURABLE THE PRESIDENT: Motion made:

"That the Bill further to amend the Indian Railways Act, 1890, 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 MR. L. WILSON: Sir, I move:—

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

RESOLUTION *RE* PAYMENT OF COMPENSATION IN RESPECT OF WAR INJURIES, ETC., SUSTAINED BY INDIAN SEAMEN.

THE HONOURABLE MR. H. C. PRIOR (Labour Secretary): Sir, I move:

"That this Council recommends to the Governor General in Council to take steps to establish schemes providing for the payment from Central Revenues of compensation in respect of war injuries and war damage to effects sustained during the period of the present emergency by masters and seamen employed on sea-going service on ships registered in British India under the Bombay Coasting Vessels Act, 1838, or under the Indian Registration of Ships Act, 1841".

Sir, this Resolution refers to one class of Indian seamen. Indian seamen fall into two main classes. The first are those who go to sea in the larger ocean-going steamers. These steamers are all registered under the British Merchant Shipping Act of 1894. Some of them are borne on the British register and some on the Indian register, but all are registered under that Act. At the beginning of the war, His Majesty's Government introduced schemes to provide compensation for seamen serving on all such ships, and the Government of India have joined in those schemes so that all Indian seamen serving in ships registered under that Act (whether they are borne on the United Kingdom or the Indian register) are eligible for compensation under those schemes both in respect of war injuries and war damage to effects. Nothing further is required in regard to this class of seamen, and the House has already approved of the principle underlying that scheme by approving in 1939 a short Bill to amend the Workmen's Compensation Act so as to relieve employers from the obligation to provide compensation for war damage to such seamen.

It is to the second class of Indian seamen that my Resolution refers, that is, to that large body of men who serve in vessels registered under two Indian Acts—the Bombay Coasting Vessels Act and the Indian Registration of Ships Act. Registration under these Acts has only a limited application, but there are over 70,000 vessels registered under them,—small vessels, mostly fishing vessels or other sailing vessels of about 3 to 600 tons but yet employing a relatively large number of men. These vessels do not ordinarily go so far afield as the larger vessels and the risks from the war to Indian seamen serving on them are not as great as those which Indian seamen on ocean-going vessels have to face. But some risks there are, and it is equally necessary that Government should shoulder the responsibility of initiating schemes to provide compensation in respect of war injuries or war damage. Such war injuries or war damage have not yet occurred but it is well to be prepared, so that these Indian seamen may know that their interests will be as fully protected as those of their brother seamen on the larger ships.

It would have been possible for Government to have introduced by executive action schemes of compensation to this class of seamen relying on the Legislature to provide the necessary funds in the annual budgets. But, as such schemes of compensation involve a long term commitment, it is desirable that the Legislature should express its general approval of the proposal before the schemes are initiated. After such general approval has been given, details

[Mr. H. C. Prior.]

of the schemes will be worked out and the Standing Finance Committee consulted and that Committee will have full opportunity of considering the details of the schemes.

Today my Resolution only asks for the general approval of the House to the initiation by the Government of India of these schemes.

Sir, I move.

The Motion was adopted.

The Council then adjourned till Eleven of the Clock on Monday, the 17th March, 1941.

COUNCIL OF STATE.

Monday, 17th March, 1941.

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.

QUARTERS FOR INFERIOR STAFF OF GOVERNMENT DEPARTMENTS, ETC.

94. THE HONOURABLE MR. HOSSAIN IMAM: (a) Are daftaris, peons and jemadars working in the Departments of the Government of India, etc., turned out of Government quarters to make way for the subordinate employees of the Departments of Government recently created?

(b) Is no lien kept for quarters of the inferior staff of the Government of India Secretariat and its subordinate offices?

(c) Is the allotment of these quarters made under any rule or system? If not, why not?

THE HONOURABLE MR. H. C. PRIOR: (a) No.

(b) and (c). Under the existing system quarters for the inferior staff are placed at the disposal of the Departments or offices on a *pro rata* basis and are allotted by them to individuals. As far as possible, liens are not disturbed and the same quarters are in the usual course allotted to the Departments, etc., every year. Departments allot these quarters equitably and have full power to preserve or break liens.

THE HONOURABLE MR. HOSSAIN IMAM: Is it a fact that some quarters have been taken away from the Legislative Department?

THE HONOURABLE MR. H. C. PRIOR: I must ask for notice of that question, Sir.

QUARTERS FOR INFERIOR STAFF OF THE CENTRAL PUBLIC WORKS DEPARTMENT.

95. THE HONOURABLE MR. HOSSAIN IMAM: (a) Will Government state how many daftaris, peons and jemadars are employed in all the offices under the Central Public Works Department?

(b) Has all the inferior staff of the Central Public Works Department been provided with quarters?

(c) Is an employee of the Central Public Works Department allotted a quarter immediately he joins the office? Are most of the inferior staff of other Departments who have put in 15 to 20 years' service not provided with any quarters?

(d) Are the employees of the Central Public Works Department like electrical mechanics, carpenters, drivers of municipal lorries, etc., allotted quarters which are meant for daftaris and peons of all the Departments of the Government of India and attached offices? If so, why?

THE HONOURABLE MR. H. C. PRIOR: The information is being collected and will be laid on the table of the House in due course.

MOTOR VEHICLES ACT, 1939.

96. THE HONOURABLE MR. N. K. DAS: (a) Have Government collected from the provinces any information regarding the working of the different new sections of the Motor Vehicles Act of 1939?

(b) If not, do Government propose to do so at an early date?

THE HONOURABLE MR. S. N. ROY: (a) and (b). The reply to both parts is in the negative.

COMPANY-MANAGED RAILWAYS.

97. THE HONOURABLE MR. N. K. DAS: Will Government state—

(a) What extent of control they exercise over Company-managed Railways?

(b) Whether it is within their contemplation to acquire the B. N. R. as soon as the period of guarantee is over?

(c) If so, when do they propose to acquire it?

(d) If not, what are the difficulties in their way and when will the period of guarantee come to an end?

THE HONOURABLE MR. L. WILSON: (a) The extent of the control exercised by the Government of India over Company-managed railways by virtue of the provisions of the Indian Railways Act, 1890 and the subsisting contracts with the Companies, is stated in Appendix "B" of the Report by the Railway Board on Indian Railways for 1938-39, Volume I, to which the attention of the Honourable Member is invited. A copy of this Report is in the Library of the House.

(b), (c) and (d). The earliest date on which "the contract of the B. N. R. can be determined" is 31st December, 1950. It is yet too early to consider the question.

EMPLOYMENT OF ORIYAS ON THE B. N. R.

98. THE HONOURABLE MR. N. K. DAS: (a) Are Government aware that the management of the B. N. R. have taken no steps to employ Oriyas in the upper grades of the services in that Railway?

(b) Are Government aware that the foodstuffs offered for sale at way-side stations, on the B. N. R. main line between Howrah and Madras, by licensed hawkers are sometimes unhygienic and bad and that no control or inspection is exercised over such foodstuffs?

(c) Do Government propose to take steps to move the B. N. R. authorities to remedy these grievances forthwith?

THE HONOURABLE MR. L. WILSON: (a) and (b). No.

(c) As regards the employment of Oriyas, recruitment is not made on a territorial basis and Government, therefore, contemplate no action. As regards the supply of foodstuffs, I am sending a copy of the question to the Agent and General Manager for such action as he may consider necessary.

INDIAN CIVIL SERVICE OFFICERS WHO HAVE RETIRED ON PROPORTIONATE PENSION, ETC., FROM THE 1ST APRIL, 1937.

99. THE HONOURABLE MR. HOSSAIN IMAM: Will Government give the following information about I. C. S. officers:—

(a) The name, nationality and years of service of the officers who have retired on proportionate pension from 1st April, 1937 to 31st December, 1940.

(b) The names of those who have resigned in the same period.

(c) The names of officers who have been dismissed or discharged, or suspended from service in the same period, with reasons for this action?

THE HONOURABLE MR. E. CONRAN-SMITH: I lay on the table three statements giving the required information.

Statement showing the names, nationality and years of service of I.C.S. officers who retired on proportionate pension during the period 1st April, 1937 to 31st December, 1940.

Serial No.	Name.	Nationality.	Years of (entry into) service.
1	2	3	4
1	R. B. MacEven	European	1922
2	G. U. Whitehead	Do.	1927
3	W. Dillon	Do.	1920
4	P. J. Griffith	Do.	1922
5	T. A. Freston	Do.	1922
6	S. K. Sinha	Indian	1919
7	C. K. Seaman	European	1913
8	A. G. Blake	Do.	1920
9	G. G. Hooper	Do.	1921
10	F. H. Logan	Do.	1928
11	S. P. H. Cadman	Do.	1930
12	J. M. Stapylton	Do.	1923
13	L. V. Ardagh	Do.	1920
14	M. J. Carritt	Do.	1930
15	J. B. Kindersely	Do.	1919
16	J. B. L. Munro	Do.	1928
17	W. G. Bradford	Do.	1915
18	R. H. Parker	Do.	1922
19	A. Wittaker	Do.	1924
20	James Read	Do.	1923
21	W. B. Gilligan	Do.	1922
22	D. J. N. Lee	Do.	1919
23	L. G. Durno	Do.	1921

II

Statement showing the names of I.C.S. officers who resigned from the Service during the 1st April, 1937 to 31st December, 1940.

Serial No.	Name.
1	H. V. Kamath.
2	T. J. H. Hetherington.

III

Statement showing the names of I.C.S. officers who were dismissed, removed or suspended from the Service during the period 1st April, 1937 to 31st December, 1940 with reasons for the action taken in each case.

Serial No.	Name.	Whether dismissed, removed or suspended.*	Reasons for the action taken.†
1	I. M. Kidwai	Removed.	
2	S. S. Bajpai	Do.	
3	I. M. Lall	Do.	

*Government of India have no information about orders of suspension, if any, passed by Provincial Governments or Chief Commissioners under their own powers. No such orders was passed by the Government of India on any officer serving under it.

† Government do not consider that it is in the public interest to give this information.

PROVINCIAL ADVISORY COMMITTEE FOR WAR SUPPLIES.

100. THE HONOURABLE MR. HOSSAIN IMAM: Will Government lay on the table a reply to my supplementary question to question No. 37 of the 27th February, 1941, on the subject of the representation of Bihar on the Provincial Advisory Committee for War Supplies for Bengal?

THE HONOURABLE MR. A. DEC. WILLIAMS: I lay the answer on the table.

The Director of Industries to the Government of Bihar is the representative of Bihar on the Bengal Committee.

VALUE OF EQUIPMENT TO BE PROVIDED BY HIS MAJESTY'S GOVERNMENT.

101. THE HONOURABLE MR. HOSSAIN IMAM: With reference to paragraph 20 of the Finance Member's Budget speech, will Government state the monetary value of His Majesty's Government's contribution for equipment?

THE HONOURABLE MR. C. E. JONES: One of the advantages of the settlement with His Majesty's Government is that specific accounts need not be kept of the free issues of equipment from the United Kingdom. A very rough estimate of the equipment which His Majesty's Government will provide for our present programmes is some Rs. 40 crores.

THE HONOURABLE MR. J. H. S. RICHARDSON: Can Government give any information of the value of the supplies and services rendered to and paid for by His Majesty's Government also referred to in paragraph 20 of the Budget speech?

THE HONOURABLE MR. C. E. JONES: In the current year a very rough estimate is Rs. 43½ crores. For the coming year 1941-42 the figure we have in mind at the moment is about Rs. 91 crores.

BRIGADIER C. S. TUTE.

102. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the name, qualifications and pay of the officer appointed to represent India in America for purchases? When was he appointed, how was the selection made and what was his former pay?

THE HONOURABLE MR. A. DEC. WILLIAMS: Brigadier C. S. Tute, I.A. (Retired). He was appointed by the Secretary of State in June, 1940 and draws the pay of an Ordnance Officer, 1st Class, at the British rate, namely, £2-14-4 a day, plus the normal allowances of such an officer and subsistence allowance while he is in America or Canada. In addition, he is allowed 25 per cent. of his pay in lieu of his pension which is held in abeyance. Before retirement from India, Brigadier Tute was Director of Ordnance Factories at Army Headquarters. His salary in that post was Rs. 2,500 per mensem.

THE HONOURABLE MR. HOSSAIN IMAM: Can the Honourable Member give any idea of the things that he has bought, the value of those things?

THE HONOURABLE MR. A. DEC. WILLIAMS: I do not see that that arises out of this question, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Were the Government of India asked to nominate an officer before the Secretary of State nominated him?

THE HONOURABLE MR. A. DEC. WILLIAMS: The appointment was made after consultation, Sir.

INDIAN STERLING LOANS.

103. THE HONOURABLE MR. HOSSAIN IMAM: Will Government give the following information about Indian Sterling Loans on or about 31-1-41:—

(a) The amount of each kind of loan outstanding excluding purchase by the Reserve Bank?

(b) The price of each on London Stock Exchange?

(c) The amount and kinds of non-terminable loans purchased by the Reserve Bank and the average prices paid in 1939-40, and ten months of 1940-41?

(d) The prices fixed by His Majesty's Government for purchase by India?

THE HONOURABLE MR. C. E. JONES: (a) I place a statement on the table containing the required information.

(b) The prices of securities fluctuate from day to day and will be found in the leading financial papers both in India and the United Kingdom.

(c) Purchases were made on different dates and Government do not consider that any useful purpose will be served by collecting this information.

(d) The prices are the sterling equivalents of the rupee rates contained in Notification No. D. 926-B/41, dated the 8th February, 1941, of the Government of India whereby such securities owned by residents in India were transferred to the Central Government.

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

THE HONOURABLE MR. C. E. JONES: The notification has been published in the Gazette of India and is in the Library of the House.

THE HONOURABLE MR. HOSSAIN IMAM: Of what date?

THE HONOURABLE MR. C. E. JONES: Dated the 8th February, 1941, Gazette of India Extraordinary.

Description of loan.	Balance outstanding on 31st January, 1941.
2½ per cent. 1926	11,046,486
3 per cent. 1948	70,746,685
3½ per cent. 1931	78,820,384
3 per cent. 1949-52	8,427,500
3½ per cent. 1954-59	9,445,000
4 per cent. 1948-53	9,945,000
4½ per cent. 1950-55	36,175,390
4½ per cent. 1958-68	16,060,000
5 per cent. 1942-47	5,429,614

WAR PURPOSES FUNDS.

104. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the total amount collected in each province for war purposes up to 31st January, 1941, and the amounts sent to His Majesty's Government and the sums set apart for Indian defence?

THE HONOURABLE MR. C. E. JONES: The information regarding the various funds for war purposes opened in each province is not readily available but, as regards His Excellency the Viceroy's War Purposes Fund, which includes subscriptions from all parts of India, I can inform my Honourable friend that, up to the 28th of February, 1941, out of a total of Rs. 3,28,75,218, the amount sent to His Majesty's Government was Rs. 1,25,70,878, and that set apart for Indian Defence purposes was Rs. 81,04,320, the greater part of which represents recurring contributions. These payments were all made in accordance with the wishes of the donors and do not include payments for relief and charitable purposes.

ALLOCATION OF EXPENDITURE ON MUNITION PRODUCTION.

105. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state how they propose to apportion between His Majesty's Government and the Government of India the Rs. 7 crores scheme of expansion of munition production? If not, why?

THE HONOURABLE MR. C. E. JONES: The entire capital expenditure on munition production is borne by His Majesty's Government.

RURAL DEVELOPMENT FUND.

106. THE HONOURABLE MR. HOSSAIN IMAM: Will Government give the following information about the Rural Development Fund:—

(a) The amount paid up to date and proposed to be given in the next financial year to each province.

(b) The basis on which the distribution is made?

THE HONOURABLE MR. C. E. JONES: (a) I would invite the Honourable Member's attention to the statement which I laid on the table of the House in reply to his question No. 65 on the 5th instant. An allotment of Rs. 38,516 has since been made to the Government of the Central Provinces and Berar. Further payments next year will be made as and when required by the provinces according to the progress of their schemes.

(b) The grant was distributed mainly on the basis of rural population.

SURPLUS SILVER HELD BY GOVERNMENT.

107. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the number of silver rupees of old and new mintage held by Government in the Silver Rupee account and the amount sold from the inception up to 31st December, 1940?

THE HONOURABLE MR. C. E. JONES: Information regarding the surplus silver stock of the Government of India which is presumably what the Honourable Member desires to have is given in the annual Appropriation Accounts of the Central Government copies of which are in the Library of the House. The information is compiled so as to show the position at the end of each financial year and not at the end of a calendar year. The last published accounts are for 1938-39, but the accounts for the next year are expected to be published shortly.

MESSAGE SENT BY THE GOVERNOR OF CEYLON TO THE STATE COUNCIL.

108. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Will Government place on the table a copy of the message sent by the Governor of Ceylon to the State Council regarding the matters in respect of which undertakings have been given by His Majesty's Government and the Government of Ceylon to the Government of India?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: A copy of the message is laid on the table of the House.

Message from the Governor to the State Council of Ceylon.

UNDERTAKINGS GIVEN TO THE GOVERNMENT OF INDIA.

1. In connection with the recent Informal Conference at Delhi between a Ministerial Mission from Ceylon and representatives of the Government of India it is desirable to place on contemporary record in the easily accessible form of a Message to State Council a Schedule of certain matters in respect of which undertakings have been given by His Majesty's Government and by the Government of Ceylon to the Government of India, together with references to the latest statements made in relation to such undertakings.

2. Having regard to the circumstances in which these undertakings were given the Government of Ceylon is bound by them to the Government of India and I hold myself bound as Governor to withhold approval, ratification or assent in respect of any act, regulation or measure to which the Government of India has not agreed and of which the effect would be to deprive Indians of the benefit of any of the undertakings.

3. The subject of State Franchise and Statements in regard to it are not included in the Schedule, because it is a matter governed by Order of His Majesty in Council and not by local regulation or ordinance requiring my approval, ratification or assent.

Schedule.

Subject matter.	Statements.
Restrictions on immigration of Indians	Paragraph 2 of a Memorandum sent by the Governor of Ceylon to the Viceroy and Governor General of India on the 22nd August, 1921. "2. Any restrictions by means of Passport Regulations or by law on the immigration of other* classes of Indians, e.g., traders, tourists, professional gentlemen, etc. :— There are no restrictions on the immigration of the classes mentioned or of any Indians as such. There are legal restrictions on the immigration of destitutes, vicious persons and stowaways irrespective of nationality."
Municipal Franchise	Paragraph 16 of a letter dated the 27th July, 1922, from the Colonial Secretary, Ceylon, to the Secretary to the Government of India, Department of Revenue and Agriculture (Emigration). "..... as regards the Municipal Franchise members of the resident Indian Community enjoy equally all the privileges of the indigenous population and they are entitled, if elected, to hold seats on local municipal bodies."
Free repatriation in cases of sickness or of unemployment due to industrial depression	Paragraph 4 of a letter dated 28th October, 1922, from the Colonial Secretary, Ceylon, to the Secretary to the Government of India, Department of Revenue and Agriculture (Emigration) in reply to a request for an additional guarantee that Indian labourers would be free to return if unable to maintain themselves in times of industrial depression. "..... I am to state that this Government is ready to make provision to meet the cost of returning emigrants to India in the case of (a) sick men and (b) men thrown out of employment owing to retrenchment in times of industrial depression."
Legal rights	Paragraph 25 of Information Relating to Ceylon for publication under Rule 17 of the Indian Emigration Rules sent to the Government of India for approval on 4th April, 1929. "LEGAL AND SOCIAL POSITION. 25. Indians in Ceylon have the same legal rights as members of the local population and they can acquire and hold land." NOTE—The Statement of Information was approved by the Government of India on the 1st July, 1930, and a copy (with Tamil or Telegu translation) has since been furnished to every assisted immigrant before leaving India.

(*) i.e., other than recruited Indian labourers.

Subject matter.	Statements.
No intention of altering Ceylon Law to detriment of Indians	Passage from the Secretary of State's telegram No. 50 of the 10th June, 1930, published in Ceylon as Sessional Paper No. XVI of 1930. "His Majesty's Government wishes to make it clear that there is no intention of repealing or amending to the detriment of Indians any of the laws of Ceylon affecting their position or privileges."

GOVERNOR.

USE OF RAILWAY SALOONS BY OFFICERS OF THE SUPPLY DEPARTMENT.

109. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Are there any officers of the Supply Department who are allowed to travel in saloons? If so, who are the officers concerned, and why have they been allowed this privilege? Do Secretaries or Additional Secretaries in other departments also travel in saloons?

THE HONOURABLE MR. A. DEC. WILLIAMS: Sir Guthrie Russell, Director General, Munitions Production, is entitled to use an inspection carriage while travelling in connection with duties directly connected with the Directorate General, Munitions Production. This concession has been allowed to Sir Guthrie Russell, as immediately before his appointment to the Supply Department, he was Chief Commissioner for Railways in which capacity a saloon was provided for his exclusive use. No other officer in the Supply Department is entitled to the use of a saloon: so the last part of the question does not arise.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Has the concession in the case of Sir Guthrie Russell been made indefinitely or is it for a limited period?

THE HONOURABLE MR. A. DEC. WILLIAMS: I imagine, Sir, that as it is personal to him, so long as he goes on, the concession will go on.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What is his rank? Is it that of a Secretary or Additional Secretary?

THE HONOURABLE MR. A. DEC. WILLIAMS: He has been appointed *ex-officio* Additional Secretary.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is there any other Additional Secretary or Secretary who has been given the same privilege?

THE HONOURABLE MR. A. DEC. WILLIAMS: No, Sir, except that the Secretaries in the External Affairs and Political Departments are entitled to the use of the saloon.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Did the Honourable Member say that the Secretary and Additional Secretary in the External Affairs Department were allowed the same privilege?

THE HONOURABLE MR. A. DEC. WILLIAMS: There is no Additional Secretary in the External Affairs Department.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Since when has the Secretary in the External Affairs Department been allowed this privilege ?

THE HONOURABLE MR. A. DEC. WILLIAMS : Very nearly since the memory of man, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Has it been there since the Honourable Member entered service ?

THE HONOURABLE MR. A. DEC. WILLIAMS : Which Honourable Member does he mean, Sir ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Himself.

THE HONOURABLE MR. A. DEC. WILLIAMS : I must have notice of that question, Sir.

RESOLUTION RE ALLOCATION OF DEFENCE EXPENDITURE BETWEEN HIS MAJESTY'S GOVERNMENT AND INDIA.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, I rise to move :—

“That this Council recommends to the Governor General in Council to form a Committee of Members of the Indian Legislature (i) to scrutinize and approve of the apportionment of defence expenses between the Government of India and His Majesty's Government and (ii) to submit a report on the past transactions.”

May I add the words “since the war”, Sir ?

THE HONOURABLE THE PRESIDENT : Where do you want to add them ?

THE HONOURABLE MR. HOSSAIN IMAM : At the end of the Resolution because it is not clear.

THE HONOURABLE THE PRESIDENT : I will allow you.

THE HONOURABLE MR. HOSSAIN IMAM : This Resolution, Mr. President, is really a very modest demand. It does not encroach upon the military preserves and I have been careful not to infringe the constitutional position of the present Government of India. No doubt it can rightly be called an innovation, a new thing, but we are face to face with a thing which has no precedent in the past. His Majesty's Government, as the Finance Member has put it, has generously come forward and agreed to share part of the cost of the defence equipment and training of those who go over to other places outside India. The question that this is a new thing cannot be urged against this merely because of newness, as the condition is also new, and therefore we could not have any precedent or anything to guide us in the past. Sir, every inquiry that we had made on this head before today had failed to elicit any information from the Honourable the Finance Secretary and it is only today in reply to the supplementary question of my Honourable friend Mr. Richardson that he gave out figures which were hidden so long. I think the Finance Department ought to take lessons in propaganda value from their American friends. Nevertheless, Sir, there are questions still involved which require elucidation and it would not be at all harmful to the interests of India or to the prosecution of the war if a little more light were to be thrown on the question. Just as today's question has elicited good information, similarly if this Committee is

formed, much of the distrust and a great deal of the misgiving that exist in the public mind would be removed. Because you are doing work satisfactorily, i.e., to your own satisfaction, it is no reason why others should also be satisfied with your good work. It is well-known that good government is no substitute for self-government. Also we have to consider the fact that at the Round Table Conference it was declared by His Majesty's Government that Defence will be increasingly the concern of Indians, but we find that the progress has been in the reverse direction. When I say reverse direction I mean that in military matters and in matters of Defence formerly we used to have information. We had no control but we had detailed information. Now we are denied even that. I do understand the correctness of this procedure in view of the war. You may not publicly declare all that you are doing for the defence of India, but is there any reason why Indians should not be associated ? Right at the beginning of the war His Excellency the Viceroy had announced that he would have a Defence Advisory Council of 20 persons. It is still there in suspension. If there were anything intrinsically wrong in giving information to Indians, I take it that His Excellency the Viceroy would not have made that announcement.

THE HONOURABLE THE PRESIDENT : Are you criticizing the Viceroy's action in not appointing a Defence Council ?

THE HONOURABLE MR. HOSSAIN IMAM : No, Sir. I am saying that there is no technical objection to associating Indians and in proof of that I cite His Excellency's announcement.

THE HONOURABLE THE PRESIDENT : That may be.

THE HONOURABLE MR. HOSSAIN IMAM : I approve of the announcement and I bring it forward to show that there is nothing intrinsically wrong in asking that Indians should be associated with Defence matters. I gave as my precedent the announcement of the Viceroy. It is only in passing that I remarked that the thing had so far been inoperative.

Sir, at the present moment, Indians of every shade of opinion, of every political school, are united at least in one demand : that greater association of Indians in Defence matters is necessary. Even the Moderates of Bombay, Sir, when they assembled together put forward the demand that the Defence portfolio should be transferred to Indians. My demand, Sir, does not go so far. I only want a committee for a specific purpose. That purpose is to decide what should be the rules and regulations and the *modus operandi* for the apportionment of the expenses between His Majesty's Government and the Government of India. The Bombay Resolution, Sir, may not be approved by many—and I am one of them—but that is not the point at issue. The fact that three ex-Members of the Viceroy's Executive Council have blessed this proposal that Defence matters should see the light of day and Indians should be associated with it, is my argument in favour of the Finance Department taking us into their confidence.

THE HONOURABLE THE PRESIDENT : You may give that as your view. I am not going to attach any importance to the views of the three ex-Members of the Viceroy's Executive Council.

THE HONOURABLE MR. HOSSAIN IMAM : Personally, Sir, I have much to say about this Bombay conference, which was as national as the Congress, and I will have my say when I get a suitable opportunity for that purpose.

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May I say, Sir, that it was for us gratifying news that His Majesty's Government has been so helpful to the defences of India, and we are grateful for all that His Majesty's Government has done. But that, as I said in the beginning, is no reason why we should be denied the right of seeing how things are being done. You may be very generous, you may not be able to get a penny more from His Majesty's Government, we may even set apart some amount which we are receiving from His Majesty's Government as a liability on ourselves; but that is no reason why we should not be associated in this apportionment business. The dictum of the Finance Member, when he told us about this system being adopted, was that the expenditure is first charged to His Majesty's Government and from that a sum which is the basic normal budget is deducted, then the effect of the rise in prices and changes in the recruitment rules regarding the pays and emoluments of the people serving in the army are taken into consideration, and after that there is the third item, *India's war measures*. Now, for that third item, which is an ever-growing sum there is no specific rule or regulation. An item may in the beginning be charged to India and then be again debited to His Majesty's Government. For instance, the expenditure in raising additional troops. That, Sir, is in the first place charged to Indian revenues and after those people are sent abroad, then perhaps—I am not positive—but perhaps their cost of recruitment, right from the time they were taken on up to the time of their departure, is charged to His Majesty's Government. That, Sir, is a very elastic and, if I may be permitted to say so, a very unscientific method of apportionment. During the discussion of the Budget in the November session as well as last March, I had occasion to say that it would be a more appropriate method and more in keeping with the spirit of things that the cost of the additional troops that are being raised should be shared by His Majesty's Government as well as the Government of India, irrespective of their location. The location of the troops, whether in India or outside its borders, does not affect the charges of our standing army. That is the rule which has been laid down at the present moment. Formerly up to 1938 the principle was that the cost of every army that was sent out was charged to His Majesty's Government. But in return for the increased contribution promised by the Chatfield Committee and the cost of the mechanization and modernization of the army, it was decided, again by the Government of India without consultation with the Indian people, that the location of the army would not matter. Even accepting that principle which in itself is open to discussion—but because of the war we may forego any objection that we may have on that subject due to the abnormal circumstances the matter is not concluded. Even if you accept that principle, that location is not the criterion for charging, may I say that the new army that is being raised is being raised primarily because of the absence of the old army and for other needs which are more urgent in other theatres of war than in India itself. I do not mean to say that all the men who are being raised in India are exclusively for use outside but they are for joint use and as such I venture to suggest, Sir, that it would be a good accounting method if we were to come to some terms about the apportionment of the cost of the new armies being raised, irrespective of location. That is the first point, Sir.

Then, Sir, you have to consider the magnitude of the sums which are involved and the effectiveness of the items on which these big sums are being spent. The normal Defence budget has been taken by the Finance Department at Rs. 45.28 crores. This has been taken including the non-effective charges as the normal Defence budget. But during the current year and in the coming year we are going to spend Rs. 72 crores and Rs. 84.13 crores,—

a total of Rs. 156 crores in place of the normal sum of Rs. 90.56 crores. Additional war expenditure in the current year and the coming year is to be Rs. 65.64 crores. This is the direct expenditure on account of the war. It is divided up into roughly half as initial expenditure and half as recurring. Rs. 33 crores are earmarked for initial expenditure. At the present moment, the Honourable the Finance Member envisages a capital expenditure of Rs. 52 crores. Out of that, he has only provided in two years for Rs. 33 crores and there is a probable liability of Rs. 19 crores still standing against us for initial or non-recurring expenditure. The recurring expenditure has been put on the present basis at Rs. 19 crores a year. I should like the House to realize the warning which the Honourable the Finance Member has sounded. In paragraph 28 he says:—

"I should like here to impress upon the House the fact that in these estimates of Defence expenditure only such specific schemes and measures as are definitely under way or in sight have been provided for".

We have the experience of last year. After having provided for an expenditure of Rs. 6.59 crores on item 3—India's War Measures in the revised scheme it is costing Rs. 24.31 crores, a rise of nearly four times. I do not think that this time the difference will be as great. But it is quite on the cards that if we are able to get equipment and other things from abroad, we might have to increase our expenditure under this head of India's war measures. There is nothing definite even about the present sum of Rs. 34.40 crores for the coming year of which the Honourable the Finance Member has said that half is for initial cost and half for the recurring cost. When such a huge sum is involved, is it wrong that we should ask to be associated in it? You are having no War Advisory Committee. You are not transferring Defence to an Indian member. Are we to be denied even this small thing of seeing how the things are being done? I have no positive information as to the items on which this initial cost is being spent, but I have negative information from the Honourable the Finance Member and from the statement today of the Honourable the Finance Secretary that this initial cost does not include the cost of raising, training and equipping such forces as are transferred to places outside India. Secondly, it does not include the charges for equipment needed for modernization of the army in India and for initial equipment of units now being raised in pursuance of our expansion scheme. This negative information is conveyed by the Honourable the Finance Member in paragraph 20 of his speech, which means that all these things are being contributed very generously by His Majesty's Government. It also does not include, as we learn from questions and discussions in this House, the cost of heavy tanks, of fighters and bombers in any great number, and of regular anti-aircraft guns. As far as we have been able to find out from the Honourable Member and from other sources, we have not yet included in the expenditure of the current year the cost for light tanks, armoured cars, Bren guns, anti-tank guns, parachutes, etc., which are to be produced in India; because the equipment had not been received early enough to start manufacturing. The factories are on the way to being assembled, and they might be able to manufacture, in the year 1941-42 but, at the moment, the initial cost that we have incurred up till now does not include any of these items. Today, the Honourable the Finance Secretary conveyed to us the very good news that the expansion scheme is being financed by His Majesty's Government. That is quite in keeping with the practice of His Majesty's Government who have, according to the statement of Colonel Knudsen, Chairman of the United States Defence Committee, spent £43,000,000 in expansion of 61 factories in America. So, rightly, His Majesty's Government are bearing the cost of the expansion scheme in India. If you take the negative information of what is not being done, it is surprising how little is left as

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to what is being done. Sir, it should not be understood that we are grudging the expenditure. If need be, we are prepared to shoulder even greater expenditure on account of the war provided it is shown conclusively to be in the interests of India alone. When we ask for this, it is really a measure of help for the Government, because it will clear the air, suspicions will be removed, and they have nothing to fear, if, as I hope, they have no faults. They would come out of this committee with flying colours. Their reticence in giving information is quite in keeping with the national character of the Britishers who do not want to show any sentiment or feeling. But we are living in days when it is not enough that you are doing the thing well. You should prove that you are doing the thing well. You have to convince the people that you are doing well, and in that light I want the British Government of India to come out and show exactly what they are doing.

Sir, I move.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution so ably moved by my Honourable friend Mr. Hossain Imam. Our experience in the appropriations of the last Great War accounts showed that there was not a satisfactory apportionment of the war expenditure between the War Office and the Indian Government. All expenditure incurred abroad which did not exceed Rs. 50,000 was debitable to the Indian Government and bigger amounts were debitable to the War Office. Our information then was that big sums were split up into parcels of Rs. 50,000 and were thus debited to the Government of India.

Sir, at present we do not know where our Defence borders are and where the Indian Government's responsibility ends and that of the War Office begins. I should like the Honourable the Finance Secretary to throw some light on this. Does our Defence expenditure extend to Egypt or Benghazi or to Morocco or Shanghai and Singapore or where? Of course we know that the British Government has intimated to us that all expenditure in connection with contingents sent by India abroad will be borne by the War Office, but we want this point to be made clear as to where our Defence borders now lie. Until we know that it is very difficult for the country to know how the apportionment of war expenditure is going to be made.

My Honourable friend Syed Hossain Imam has rightly moved this Resolution, but if you will allow me, Sir, I would propose a slight change in wording of the Resolution which might then be acceptable to the Honourable the Finance Secretary. I suggest, Sir, that instead of the words "approve of" the word "suggest" be inserted. I suggest that, Sir, because after all the committee will be only advisory and it will not have the power to approve anything. It will lie with the superior authorities to approve.

THE HONOURABLE MR. HOSSAIN IMAM : I have no objection, Sir.

THE HONOURABLE THE PRESIDENT : I will allow the amendment.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Then, Sir, in the second item of the Resolution my Honourable friend wants information as regards the past. I take that to mean the past war. He wants a report on the transaction of the past war.

THE HONOURABLE MR. HOSSAIN IMAM : No, since this war began only.

THE HONOURABLE THE PRESIDENT : That is an amendment the Honourable Member proposed before he started discussing the Resolution.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Then, Sir, the request made by the Honourable Member is a very modest one and Government ought to accept the Resolution and set the public mind at rest as to the actual apportionment of war expenditure between the Government of India and the War Office.

With these words, Sir, I support the Resolution as amended.

THE HONOURABLE MAULVI ALI ASGAR KHAN (Assam : Muhammadan) : Sir, in supporting the Resolution moved by the Honourable Mr. Hossain Imam I would say that the time is quite ripe when the Indian people should be taken into full confidence as they are sharing the responsibilities of the war with the British people.

Just as it is incumbent upon the Indian people to help His Majesty's Government with men and money, with the full resources of India, it is equally fitting for the Government of India to take them in full confidence.

The demand in the Resolution moved is quite justified. The Members of the Indian Legislature who are the representatives of the people have every reason to see for themselves how the Defence expenditure of India is shared by the Government of India and the Home Government. They should be allowed to scrutinize the same and give their suggestions.

Just as Indians are members of the great Commonwealth of Nations of the British Empire, when people of India, rich and poor, without distinction of caste and creed, are doing their utmost for the ultimate victory of the present war, when Indian rulers with open hearts are giving the full resources of their States for the help of the war, it is quite reasonable and in the fitness of things that they should be put in the position of responsibility.

There might have been some misgiving among the Indian people regarding the righteousness of the British people. But when Indians find that the democratic ideas and institutions acquired by them from British rule of the last one hundred and fifty years will go waste at the advent of Nazi onslaught, when their very liberty will be taken away and they will be reduced to slavery, they have no other alternative but to help the British people to save their own country from Nazi domination.

Since all their culture and tradition are set at stake by the impending danger. The people of this vast country have come forward with the British people to check the domination of Germany.

If the rulers of this vast country are tactful they should help the Indian in granting responsible government and treat them like the people of other dominions and as an earnest of the future grant of Dominion status allow the representatives of these people in the Legislature to see for themselves how the defence of India in the present circumstances are managed and in what proportion both the Home Government and the Government of India are sharing the expenditure.

I would therefore fervently appeal to the House and urge the Government to accede to the demand made in the present Resolution and give this my full support.

THE HONOURABLE MR. C. E. JONES (Finance Secretary): Sir, my chief difficulty in dealing with this Resolution is to know exactly the reason why it was put forward. From the Honourable Mr. Hossain Imam's opening sentences I gather that the object of the request made in this Resolution is to obtain greater information as to what we are doing in respect of the war and how the expenditure is being met. But I do suggest, Sir, that to associate a Committee with the day to day work of the Finance Department and the Audit Department is a very indirect method of obtaining information, and one which has serious implications of a practical nature to which I shall revert presently and elaborate, and of securing the end of view. The Honourable Mover referred to the financial settlement between His Majesty's Government and the Government of India as to the allocation of Defence expenditure. I think he made some observations which indicate that he thinks that the settlement might in some respects be improved. But for purposes of this Resolution, Sir, I do not think it is necessary for me to go into the details of this settlement which was explained by the Honourable the Finance Member in his Budget speech of a year ago and which still holds the field. I submit, Sir, that so far as the general question of apportionment of expenditure is concerned, that exposition of the settlement gives a fairly complete picture in a general way as to how this most important question has been decided. It is possible that because the expenditure falling to India is increasing some Members are apprehensive or have a suspicion, either that the settlement is not still applicable, or that it is not so favourable to India as was made out, or that the allocations, the detailed allocations, of expenditure according to the terms of the settlement are not being properly made. Now, I would suggest, Sir, that these apprehensions are on the face of them unfounded. It is not necessary to query the agreement or to suspect the allocations to explain why Defence expenditure debitable to India has risen. I would ask Honourable Members to cast their minds back to the events of last summer when France collapsed, to remember the widespread feeling that was experienced in India as to the inadequacy of India's defence measures, and the general and insistent demand that was made for expansion, and for rapid expansion. The Government responded by taking immediate steps to expand as far and as fast as certain limiting conditions, apart from finance, then permitted. Honourable Members will remember that when the first stage of the expansion was announced, a stage that was admittedly modest but yet very useful, it was generally decried as being totally inadequate. Events have moved fast since then and now, apart from the troops that are sent overseas, we are maintaining in India a much larger and a more highly equipped army than before, besides substantially increasing the Indian Navy and the Indian Air Force. Much of the larger public demand on Government has been met, and I believe that the public in general appreciate the fact that it has been met and realize that this involves paying the cost; and that it is only a small section of the community which jibs at meeting the bill. I have the Honourable Mover's statement that he does not object to meeting the bill. He just wants to satisfy himself that the bill is fairly due. I take it, Sir, that he does not consider that the United Kingdom should accept financial responsibility for the increased scale of India's local defence. I have seen it argued—and I am glad that it was not argued in the House here today—that the Chatfield scheme laid down a certain scale of Defence expenditure in India which should not be exceeded. As a matter of fact the Chatfield scheme was merely a peace time scheme for preparation for war—a defensive step in pre-war conditions. It is impossible for any country to fix in the piping days of peace a limit of their Defence expenditure which will not alter when the danger actually assails. India must necessarily meet the cost involved in measures undertaken in the interests

of her own local defence. In world conditions as they are today she would have to do the same were she neutral. The financial settlement between India and the United Kingdom recognizes that fact and assigns to Indian revenues the expenditure incurred on war measures undertaken in India's interests for her local defence. That settlement, the Honourable the Finance Member has said, was a favourable one for India and conceived by His Majesty's Government in a generous spirit. I would just stress one or two of the favourable aspects of that settlement. The first is that the only additional defence expenditure thrown upon Indian revenues, apart from that resulting from rise in prices, is the cost of measures undertaken directly for the purpose of the local defence of India; secondly, that when troops are sent out of India to engage the enemy outside her frontiers—and in answer to the Honourable Rai Bahadur Ram Saran Das as to what her frontiers are, for the purposes of this settlement the frontiers of India are the geographical frontiers of India—the whole of the cost of these troops which are so sent overseas becomes a charge on His Majesty's Government. All that India is paying on account of her external defence is the normal peace time cost of the relatively small external defence forces.

As a corollary we come to the third favourable aspect of this settlement, and that is that India is saved the huge cost of wastage of material which is inevitably incurred in actual hostilities. This wastage of war material constitutes a substantial element of war expenditure from which India, unlike the Dominions, is protected unless or until the war actually comes to India's frontiers.

And then the fourth favourable element of this settlement is that the entire capital expenditure on the expansion of ordnance factories is being borne by His Majesty's Government, and it should be noted that this comprises far more than the schemes of factory expansion included in the Chatfield plan. Without this expansion of munition production, for which His Majesty's Government is meeting the capital cost, it would have been impossible for India to supply or equip her expanded army.

These points which I have stressed will, I think, convince Honourable Members that the authorities out here have not been backward or remiss in safeguarding the interests of India in the agreement arrived at, and there can be no room for suspicion that they will not continue to do so in the practical application and working of the agreement. On the other hand, the fair and generous spirit displayed by His Majesty's Government is evident from the terms of the settlement itself, as I have just explained. Further evidence of the spirit in which His Majesty's Government are working this agreement is afforded by the facts—

- (a) that His Majesty's Government are continuing to implement the Chatfield scheme for the mechanization and modernization of India's standing army, although the present costs are greatly in excess of the original estimates, and
- (b) that in respect of the expansion units of India's army, the cost of which while they remain in India is properly a charge on India, His Majesty's Government have been providing free of cost considerable quantities of equipment which cannot be produced in India, such as anti-aircraft guns, anti-tank guns, optical and wireless equipment and so on. The cost of this equipment, which is supplied free by His Majesty's Government, over and above and outside the settlement, runs to many crores. This

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should surely show that there is no room for suspicion that in the practical application of this settlement India is not getting a fair deal.

So much, Sir, by way of background, which I have given at some length in view of the general tenour of the speeches made in support of this Resolution. I would now like to come to the actual subject-matter of the Resolution itself,—that is, the actual allocation of Defence expenditure in India between His Majesty's Government and India. This, of course, is a matter of supreme interest to the Government of India as it is to Honourable Members. But I think Honourable Members will also appreciate that it is a matter of not less than equal interest to His Majesty's Government. And each Government naturally desires to be satisfied that they are being debited by and large with their proper share of expenditure under the financial settlement. I should just like to explain briefly how that allocation is made.

The allocations are done in the first instance by the Finance Department of the Government of India. They are then subjected to check by the Auditor General of India who will certify that only India's proper share has been debited to Indian revenues. All the rest is automatically debited to His Majesty's Government. And it therefore follows that it is really the Auditor General of India who primarily watches the interests of both parties. Honourable Members are aware of the terms of section 166 of the Government of India Act, which places the Auditor General in a position of complete independence of any executive Government whatsoever, whether that be the Government of India or His Majesty's Government in England. His Majesty's Government and the Comptroller and Auditor General of England have agreed to accept the Auditor General's audit of all defence and supply expenditure in India, of which a large portion will be debited to His Majesty's Government, and I think that that is a very generous gesture on the part of His Majesty's Government when it is remembered that their part in this apportionment is that of giving and paying for the defence of India. Recently the Comptroller and Auditor General sent two of his officers out to India to discuss with the Auditor General of India our audit methods and methods of Treasury control over expenditure in order that the Comptroller and Auditor General and the Auditor General of India could agree on mutually acceptable standards of audit, and see that the arrangements for allocating war measures by the Finance Department were satisfactory to both parties. That the terms of the settlement are clear and definite enough to form a workable basis of allocation is evidenced by the fact that there has so far been no difference of opinion between either the Auditor General, the Government of India, the War Office, or the Treasury in England on any case, although some of the allocations have been very complicated. Now that, Sir, shows in general outline the procedure which is adopted and which has been agreed upon between the Government of India and His Majesty's Government. But when you picture the process of allocation as it is worked from day to day and from week to week, I think Honourable Members will realize that it is not suitable for and does not lend itself to the association of a committee on purely practical considerations. Government are not unsympathetic to the demands that are put forward for the association of non-officials with their war effort,—to prove which I would instance the Standing Committee which is now associated with the Department of Supply, His Excellency the Commander-in-Chief's undertaking to arrange some means of contact between the Members of the Legislature and the Defence Department, and the Standing Finance Committee which considers new expenditure debitable to civil estimates, most of which in present

circumstances is attributable to the war. These committees largely deal with questions of policy, but the actual mechanism of allocation of expenditure, which is an administrative process, stands, I submit, Sir, on a different footing altogether. The actual procedure by which these allocations are made is as follows:—First, statements of cases giving the reasons for the proposed measure and the cost are prepared by the administrative branches. Then these statements of cases are sent to the Military Finance Branch for financial sanction, and allocations are made on each of those statements of cases by the Military Finance Branch at the very time of according financial sanction. Then, thirdly, weekly meetings are held between the Finance officers and the Audit officers, when the Director of Audit, Defence Services, scrutinizes all the allocations made during the previous week. During this joint scrutiny, many points are raised which are settled as things go on. Then this procedure itself only covers running cases, but there is a big field which is not covered by statements of cases, in which specific allocations are virtually impossible and allocations have to be made on a broad basis,—for example, transportation and movement of troops, which may be due to a combination of factors such as normal annual moves, those due to expansion and those due to overseas requirements.

Now, supposing this Resolution were accepted by the Government and acted upon, we would have a body of Members of the Legislature who would have to study each of these statements of cases. They number something like 100 cases per week. Practically all of them are complicated and the pressure of work is such that it is not possible to set out every detail in the statements of cases in the same way as memoranda are prepared, say, for the members of the Standing Finance Committee. These statements are so prepared that they presume a vast amount of knowledge on the part of the recipient in the Finance Department, and this background of knowledge would have to be obtained by members of this Committee by taking each statement of case to the officer who prepared it or the financial officer who dealt with it and getting it interpreted in every day language. The amount of waste of time that would be involved would be enormous. The matters are so complex and they cover so wide a field that I doubt if any ordinary Member of the Legislature could master the subject except after several months of intensive study, during which time they would not be qualified to question the allocations made by the Government experts. And, in any case, the members of this Committee would have to be prepared to put in daily attendance for long hours in order to keep abreast of the work.

The existing officers of the Military Finance Department could not possibly spare the time for all these explanations. We should have to appoint one or two additional officers whose full time would be spent in coaching up and helping this Committee, and these officers newly employed would in turn have to acquire the necessary information from the dealing Finance Officers, and it is very doubtful whether the dealing officers would have time both to deal with the cases that come before them and to explain them to some one else. Furthermore, in the matter of personnel, we are now so down to bed-rock that it is very doubtful whether we would be able to get the additional officers at all.

I have said, Sir, that these allocations are mostly difficult and complicated. I propose to give an example, selected more or less at random, to illustrate this, because I dislike talking throughout in generalities. I tried to get a recent case, but so many of them are bound up with some military secret which it is not expedient to disclose, and so to be on the safe side I have taken

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an old case, that of reserve of bombs. The Chatfield scheme gave us a certain number of modernized air squadrons. The scheme also allowed us a bomb factory and the scheme fixed a certain scale of reserve for bombs. When war broke out, we had not received the modern aircraft and we had not got the new bomb factory, and the machines with which we had to deal could not utilize modern bombs. Meanwhile our reserve of the old fashioned bombs which were suited to our old fashioned machines had run out, and the time-lag in supply from England increased. Therefore, we had to order a reserve of obsolete bombs from England, and on a scale much higher than that agreed to by Chatfield because we had to have a bigger reserve to provide for the greater time-lag. The cost of this bomb reserve of old fashioned bombs came to something like Rs. 38 lakhs and the problem was how to allocate the expenditure between His Majesty's Government and the Government of India. The complications of the case are obviously more apparent than the solution.

That is by no means an isolated case. This sort of problem is arising day to day and week to week. I could multiply that example many times. But one reason why I have selected this particular case is that it brings out so clearly another point that I wish to make. If you consider the question of that information being divulged at the time the case arose, you will appreciate that nothing on earth would have induced us to expose a weak position of that sort. The information that I have just given you, at the time it arose, would have been highly secret and could not possibly have been divulged in the national interests. Fortunately, subsequent developments have made it no longer necessary for us to treat that particular case as secret. But generally it is true that current allocations, as they arise from day to day and from week to week, can only be judged in the light of exhaustive knowledge of all secret military, naval and air force measures in hand. You cannot allocate Defence expenditure until you know exactly what it is for, why it is being incurred, and what is the necessity for it, which means viewing it in the light of military information very much of which is secret, which would not be divulged in England to Members of Parliament, and which similarly cannot be divulged here. I think Honourable Members will agree as to the desirability or rather the necessity of limiting the number of persons to whom vital secret information of this sort, which might be of great value to an enemy or a potential enemy, should be limited to as few as possible.

There is one other consideration which I should like to bring forward. I have already referred to the fact that His Majesty's Government and the Comptroller and Auditor General of England, after satisfying themselves as to the methods of Treasury control over expenditure in India and the audit methods followed here, have agreed to accept the allocations as made by the Finance Department of the Government of India and as certified to by the Auditor General of India. You thus get a balanced and agreed procedure for allocation, and it is most improbable that Parliament will question the *bona fides* of the Government of India in this matter or that they will suggest that Members of Parliament should be sent to India to watch the allocations on behalf of Parliament. But I think they would naturally expect that the Indian Legislature would adopt a similar attitude, especially as the Indian Legislature has the assurance that if the Auditor General is not satisfied in respect of any allocation, he will bring the matter to the notice of the Indian Legislature through his annual report and the Public Accounts Committee. If now the equilibrium of this procedure were to be upset by associating a Committee of the Indian Legislature, Parliament would have every reason

and every justification for demanding a corresponding association of a Committee of the House of Commons in this process of allocation which, of course, would be beset with practical difficulties on account of the disturbance to communications between the two countries resulting from the war. The result would be that the whole thing would again be thrown into the melting pot. This is clearly a result not to be contemplated with equanimity.

I do not put this forward as a frivolous argument. I think it is self-evident that where we have a nicely balanced procedure for allocation, which on the face of it is as sound, impartial and fair as we can get it, which has been accepted by the Government of India and by His Majesty's Government, and then we proceed to disturb that equilibrium by associating a Committee of the Legislature of India alone (which it may be supposed would exert a pull in favour of India and against England in so far as it had any practical effect at all) Parliament would naturally expect that they should have the same protection to the interests of the British taxpayer as this new departure is designed to give to the Indian taxpayer. For these various reasons, Sir, that I have given the Government find it exceedingly difficult to accept this Resolution and I feel confident that the Honourable Mover and this House generally will regard the reasons that I have given as being not only reasonable but convincing.

THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, the Honourable the Finance Secretary had prepared his batteries so well that in the end he did not conclude with the usual words with which Government Members conclude, namely, that Government will oppose the Motion. So far as the question of getting information was concerned, I think this Resolution has served its purpose. We have received very valuable information from the Government and I must admit that the difficulties which the Honourable Mr. Jones has brought forward seem on the face of them to be insurmountable. Even that is a departure from the Government method, that it has tried to justify itself on the broad basis of reason. Usually the Government does not care so much to convince the people as it tries to show that it is itself convinced and that that ought to be the reason for our conviction. The reason why I brought forward this Resolution was not primarily for looking into the day to day administration, but for laying down the broad principles. If the Honourable Member is prepared to consider some method by which Indian approval can be taken I would be satisfied. I do not suggest what should be the method, but at the moment the agreement entered into is between two departments of His Majesty's Government, the War Office and the India Office. Defence is a matter which is entirely in the hands of the Governor General, in which he acts in his discretion and on his individual judgment, in which Indian opinion is not associated. It is not subject even to any token votes. The votes also I call "token" because they can be restored. But even that amount of control or association of Indians is denied. Now I suggest that you have entered into a settlement which on your own showing make out to be a favourable settlement of this question. Then why not get the approval of Indians and say that you are governing India with the consent of the people and not like Hitler who rules only by force of arms? The difficulties could be surmounted, provided we restricted the operation of this Resolution to broad principles and not to day to day administration. I never contemplated that it would be a body which would sit every day and approve of the allocations. You have a system in every department whereby power is transferred by degrees; whereby up to a certain point the Under Secretary deals with matters, above that the Deputy Secretary or Joint Secretary and so on, until the point

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when matters are subject to decision by the Honourable Member. Similarly here you could lay down a principle by means of which certain matters only would come up to this Committee while other day to day administration would be left to the ordinary officers. Of course the officers are there and will remain there, and their work cannot be taken on by the Legislature. Even the Legislature here relies on the administrative and judicial officers of the Crown. You can not contemplate the Legislature taking the place of the administrative officers.

Sir, the only jarring note which I have to sound is about the Auditor General. The Auditor General is the most competent person to examine and to give his opinion. But he is subject to one restriction. He must see that the rules are followed. But he has no hand in making the rules. The rules are made by the executive authority and you cannot take shelter behind the name of the Auditor General and say that because he is examining the expenditure it is unquestionable. It is unquestionable as far as the rules are concerned. The rules being given, the Auditor General sees that they are carried through. But the rules are framed by the executive and it is just here that the weakness of the Government case comes in. Indians might be associated with the rule-making power at any stage you like, but associate Indians with your work. You say that these things are military secrets. If I may be pardoned for saying so, that is really adding insult to injury. We are in our own house. We are not such outsiders that everything should be hidden from us. I know that there are details of day to day work which even Parliament does not get, but the Parliament has this satisfaction that the man at the helm is one of its own men. We do not get even that satisfaction and still you say that we are unreasonably suspicious. As I said at the beginning, there is no suspicion against our executive. It is a matter of satisfaction. Are you prepared to satisfy us? If you desire to satisfy us you can find ways, but if you have no desire you can have more difficulties than those that have been cited by the Government at the moment. I said in the very beginning that I had no desire to embarrass the Government. I had no grudge against the expenditure which is being met. I am prepared that India should spend even a larger amount of money than it is doing. But what I said at the beginning I say still, that this does not satisfy us. Nothing can satisfy where the question of national honour is concerned. It is a question of national honour, whether we are to be trusted or not. I remember that in the Life of Lord Minto he deals with the question about how suspicious the people were when he first mooted the question of having Indians in the Executive Council. Those days have not passed. Even 31 years afterwards the British people are living in the same old world and they still are suspicious. Just as trust begets trust, suspicion begets suspicion. You cannot have it both ways. I appeal to the Government to do something to satisfy Indians. Just as we are ready to trust them, they ought at least to go out of their way to satisfy us that things are being done as we wish.

THE HONOURABLE THE PRESIDENT: I understand you want to press this Resolution?

THE HONOURABLE MR. HOSSAIN IMAM: Yes, Sir.

THE HONOURABLE THE PRESIDENT: I do not think, Honourable Mr. Jones, that after your very able and exhaustive speech you could add anything by way of reply?

THE HONOURABLE MR. C. E. JONES: I would only wish to add that I deliberately kept off the constitutional question, realizing that the constitutional position, however regrettable it may be, must be accepted as one of the facts of the situation in one's approach to this question, and to express on behalf of the Honourable the Finance Member, as I should have done at the beginning of my reply, his regret that he was unable to appear in this House in person to deal with a question of this sort which is bound to impinge to some extent on the constitutional field.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"That this Council recommends to the Governor General in Council to form a Committee of Members of the Indian Legislature (i) to scrutinize and suggest the apportionment of Defence expenses between the Government of India and His Majesty's Government and (ii) to submit a report on the past transactions since the war."

Question put and Motion negatived.

STANDING COMMITTEE FOR ROADS, 1941-42.

THE HONOURABLE THE PRESIDENT: At this stage I would like to make announcements regarding elections to committees.

With reference to the announcement made by me on the 11th March, regarding nominations to the three committees, I have to announce that the following Honourable Members have been nominated for election to the Standing Committee for Roads:—

1. The Honourable Saiyed Mohamed Padshah Sahib Bahadur.
2. The Honourable Rai Bahadur Lala Ram Saran Das.
3. The Honourable Rao Bahadur K. Govindachari.
4. The Honourable Mr. R. H. Parker.
5. The Honourable Haji Syed Muhammad Husain.
6. The Honourable Mr. N. K. Das.

There are six candidates for three seats and an election will be necessary. The date of election will be announced later.

CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE THE PRESIDENT: The following Honourable Members have been nominated for election to the Central Advisory Council for Railways:—

1. The Honourable Sardar Buta Singh.
2. The Honourable Rao Bahadur K. Govindachari.
3. The Honourable Sir David Devadoss.
4. The Honourable Mr. Abdool Razak Hajee Abdool Suttar.
5. The Honourable Mr. V. V. Kalikar.
6. The Honourable Kumar Nripendra Narayan Sinha.

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7. The Honourable Nawabzada Khurshid Ali Khan.
8. The Honourable Haji Syed Muhammad Husain.
9. The Honourable Lt.-Col. Sir Hissamuddin Bahadur.

There are nine candidates for six seats and an election will be necessary. The date of election will be announced later.

STANDING COMMITTEE FOR THE DEPARTMENT OF COMMUNICATIONS.

THE HONOURABLE THE PRESIDENT: The following Honourable Members have been nominated for election to the Standing Committee to advise on subjects other than "Roads" dealt with in the Department of Communications :—

1. The Honourable Mr. Abdool Razak Haji Abdool Suttar.
2. The Honourable Rai Bahadur Sri Narain Mahtha.
3. The Honourable Haji Syed Muhammad Husain.

There are three candidates for three seats and I declare them duly elected.

RESOLUTION RE FEDERAL COURT.

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 take such steps as may be necessary to enlarge the Appellate Jurisdiction of the Federal Court to the maximum extent permitted by section 206 of the Government of India Act, 1935."

Sir, before I come to the subject-matter of the Resolution, perhaps the House will permit me to express its deepest sorrow at the premature death of Sir Shah Suleiman. The Federal Court has in his death sustained a very severe loss. He was one of the most brilliant products of the Allahabad University. He distinguished himself greatly as a Judge and Chief Justice of the Allahabad Court and we who belong to the United Provinces were rightly proud of him. Our Court has sustained during the last month two severe losses. We have lost a very great Chief Justice in Sir John Thom and we now have lost Sir Shah Suleiman who was not only an eminent Judge but also an eminent scientist.

Sir, the subject-matter of this Resolution has been once before this Council, but my Resolution is different from the Resolution which was moved by the Honourable Haji Syed Muhammad Husain on the 21st March, 1938. The Honourable Haji Syed Muhammad Husain wanted a court of criminal appeal also. I say nothing in my Resolution about the court of criminal appeal. I take my stand on section 206 of the Government of India Act of 1935.

(At this stage the Honourable the President vacated the Chair which was taken by the Honourable Sir David Devadoss.)

The principle of a supreme court of civil appeals is no longer an open question. The principle of having a supreme court of civil appeals in India has in effect been accepted by the Government of India Act of 1935. There were two points

of view before the Joint Select Committee, one was that there should be a separate supreme court for India and the other was that the Federal Court should have two jurisdictions, that is, it should have certain appellate powers and it should have as a Federal Court certain constitutional powers. The Joint Select Committee came to the conclusion that the best arrangement was to have the Federal Court functioning as a Federal Court; also after experience had been gained and the Indian Legislature had made a particular recommendation to the Secretary of State, the Federal Court should be given the powers of a supreme court also. They say :

"There is much to be said for the establishment of a Court of Appeal for the whole of British India, but in our opinion this would be most conveniently effected by an extension of the jurisdiction of the Federal Court, and we think that the Legislature should be empowered to confer this extended jurisdiction upon it. It has been objected that not only would so great an increase in the personnel of the Court be required as to make it difficult to find a sufficient number of Judges with the necessary qualifications but also that the essential functions of the Federal Court as guardian and interpreter of the Constitution would tend to become obscured. We fully agree that the quality of the Federal Judges is a matter of the highest importance and that nothing ought to be done which might diminish or impair the position of the Court in its constitutional aspect, but we think that the fears expressed are unfounded. In the first place, it is clear that there would have to be a strict limitation on the right of appeal, so as to secure that only cases of real importance came before the Court; and, if this were done, we see no reason why a comparatively small number of additional Judges should not suffice. Secondly, we assume that the Court would sit in two Chambers, the first dealing with federal cases, and the second with British India appeals. The two Chambers would remain distinct, though we would emphasize the unity of the Court by enabling the Judges who ordinarily sit in the Federal Chamber to sit from time to time in the other Chamber, as the Chief Justice might direct, or Rules of Court provide; but beyond this we do not think that the two Chambers should be interchangeable."

Sir, the recommendation of the Joint Select Committee is embodied in section 206 of the Government of India Act and I have invited the attention of the Council to that section in my Resolution itself. I will just, Sir, with your permission, read out section 206 so that the Council may know exactly what that section is :—

"(1) The Federal Legislature may by Act provide that in such civil cases as may be specified in the Act, an appeal shall lie to the Federal Court from a judgment, decree or final order of a High Court in British India without any such certificate as aforesaid, but no appeal shall lie under any such Act unless—

(a) the amount or value of the subject-matter of the dispute in the court of first instance and still in dispute on appeal was and is not less than fifty thousand rupees or such other sum not less than fifteen thousand rupees as may be specified by the Act, or the judgment, decree or final order involves directly or indirectly some claim or question respecting property of the like amount or value; or

(b) the Federal Court gives special leave to appeal.

(2) If the Federal Legislature makes such provision as is mentioned in the last preceding sub-section, consequential provision may also be made by Act of the Federal Legislature for the abolition in whole or in part of direct appeals in civil cases from High Courts in British India to His Majesty in Council, either with or without special leave.

(3) A Bill or amendment for any of the purposes specified in this section shall not be introduced into, or moved in, either Chamber of the Federal Legislature without the previous sanction of the Governor General in his discretion."

Therefore, Sir, the principle of a Supreme Court has been accepted by Parliament itself, and the chapter of the Act is to be brought into force by an Order in Council, and as I understand it the Order in Council will have to be laid before Parliament. Sir, I do not, therefore, propose to argue the case for the establishment of a court of civil appeal in India. I do not propose

[Mr. P. N. Saprú.]

to argue the case for the extension of the Federal Court's jurisdiction. The principle has been accepted already by the Joint Select Committee in their Report. But I would like to point out certain considerations in favour of my Resolution. No lawyer will deny that the Privy Council has done most valuable work so far as the laws of this country are concerned. We get in the Privy Council Judges of the very highest eminence who can bring to bear upon the work before them a trained legal mind, and some of the best judgments on the personal laws of the Hindus and Moslems are to be found in the decisions of the Privy Council. It is a great tribute to them that without ever having visited this country, without knowing the laws and customs of this country, they are able in ninety-nine cases out of a hundred to arrive at satisfactory decisions and conclusions. But, Sir, conditions in India have changed, India is moving towards Dominion status, and naturally Indians feel that they must have a court of appeal in this country such as Canada has and such as Australia has. In Australia you have the State Supreme Courts and you have the High Court thereto which appeals from the State Supreme Courts lie, and it is only in very rare cases that appeals go to the Privy Council. That is also, as far as I know, Sir, the position in Canada. Now, Sir, the Indian judicial system has improved considerably. Our Bars are much stronger than they were before. Our Benches are also equally strong and we have sufficient legal talent in this country for a Supreme Court of Appeal. Sir, the litigants find the Privy Council machinery in many cases very expensive. They have to communicate through a solicitor with their counsel. They cannot directly get into touch with the solicitor, they cannot instruct in most cases the solicitor directly. It is only rarely that you can get an Indian counsel to go and instruct the counsel who is going to argue the case before the Privy Council. Sir, litigants, therefore, who want to take a personal interest in the case, who wish to instruct the solicitors personally cannot do so. The system, therefore, is very defective from this point of view. It handicaps the litigant who wants his case to be explained to the leader who is going to argue the case before the Privy Council by the men who have conducted the case in the courts below.

Then, Sir, there is another difficulty which has been created by the war. In war time the difficulties of appeal to the Privy Council are very great. There are shipping difficulties, there are mail difficulties. There is the difficulty of getting into communication with the solicitors and with the counsel and therefore the question of the extension of the jurisdiction of the Federal Court has become an urgent one from the point of view of the Indian litigant. Justice delayed is justice lost. A man who is fighting a case wants to have the fruits of victory in his lifetime and if he is going to spend a whole lifetime over litigation, well, it would be no consolation to him to feel that after his death the case will be disposed of by the Privy Council. Therefore, Sir, the whole question has become an urgent one from the point of view of the Indian litigant public. Although, Sir, we have in the Federal Court three eminent Judges (we have just lost one but his place will soon be filled) I do not think that it can be said that the volume of work in the Federal Court at present is very great. If you compare the amount of work that is done by the High Courts and that done by the Federal Court you will find that the amount of work in the Federal Court is very, very little. The Federal Court at present has original jurisdiction in a certain class of cases, appellate jurisdiction in a certain class of cases and advisory jurisdiction in a certain class of cases. But these cases are few and far between. They are not sufficiently large in

number, and for days and months together the Federal Court as a Court sits practically without any work. It has given some very able and illuminating judgments on questions which have come before it. But I am sure that even the Judges of the Federal Court find this leisure too tiresome. We all want to do some work. If there is not enough work, we do not know at times what to do with ourselves. Therefore, even from the point of view of the Judges of the Federal Court, it is desirable that there should be an extension of the jurisdiction of the Federal Court. If you have a court of civil appeals, you will probably have to increase the number of the Judges. It ought not to be difficult, even in war time, to take up this question. If the Government of India and the Secretary of State make up their mind, the necessary Order in Council can be issued in no time. I believe, Sir,—I do not know how far it is true, but we in legal circles have heard that all the High Courts excepting the Calcutta and Bombay High Courts are in favour of extension of the jurisdiction of the Federal Court. I do not know whether this is correct or false. But this is the general impression that prevails in legal circles. I do not know what the particular reasons of the Calcutta and Bombay High Courts are. But I think, if my information is correct, that the views of the other High Courts ought to prevail in this matter. Even if steps are taken immediately, it will take time for the appeals to be heard by the Federal Court. But I think the Federal Court will not remain long without work, because, in most High Courts you have a system of printed paper books, and the printing of the Privy Council record in most High Courts is not a very difficult matter. Some of the cases which are pending in the Privy Council can be transferred to the Federal Court if the litigants so desire, and the litigants can have more expeditious justice.

I would like to say, Sir, that I would not like the efficiency of the judiciary to be impaired in any way and I hope that the practice of appointing men of the highest eminence, men who command the confidence of the litigant public, men who command the confidence of the profession, will continue. I say this, Sir, because I do not want the reputation of the highest court of justice to suffer in the slightest degree. The first appointments, as we all know, have been excellent and there is no reason why subsequent appointments should not be as good as the first appointments.

Sir, as I have said, this Resolution raises no question of principle. The principle has already been accepted by the Joint Select Committee. I would, therefore, with these words, commend this Resolution to the acceptance of the House. I have already pointed out that my Resolution is different from the Resolution moved in 1938 by my friend the Honourable Haji Syed Muhammad Husain, who wanted to establish a Court of Criminal Appeal also. This proposal had been considered and rejected by the Joint Select Committee. But I can claim for my proposal that it has the approval and the blessing of the Joint Select Committee.

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

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House): Mr. President, I shall naturally leave my Honourable friend Mr. Conran-Smith to deal with the Resolution. But, as my Honourable friend Mr. Saprú referred to a recent sad event in the opening part of his speech—I allude to the death of the Honourable Sir Shah Muhammad Suleiman—I hope you will permit me to say a few words about that. I recognize that he was not a Member of this Legislature, and but for the fact that my Honourable

[Sir Girja Shankar Bajpai.]

friend's Resolution deals with the Federal Court, possibly my intervention in that sense would not have been in consonance with the practice of the House. But as the Federal Court has been mentioned, and Sir Shah Suleiman was a very distinguished member of the Federal Court, I hope you will not consider it either improper or irrelevant that I should, on my own behalf and on behalf of Government, associate myself with all that was said by the Honourable Mr. Sapru as regards Sir Shah Suleiman. I had the privilege of knowing him, and even more than knowing him, knowing of him from others who were competent to judge of his greatness as a lawyer, as a judge, and as a scholar in spite of his versatility, a man of most charming modesty. In his death the Court has lost a great Judge and India a great Indian.

THE HONOURABLE MR. J. H. S. RICHARDSON (Bengal Chamber of Commerce): Sir, for some time past it has been open knowledge that the Government of India have had under consideration the question raised in this Resolution and I believe they have consulted Provincial Governments and the High Courts in India. Whilst it would indeed be interesting to learn the result of these inquiries and particularly whether it is a significant fact that the two High Courts from whence most of the Privy Council appeals emanate are strongly opposed to the proposal, I am not at the moment concerned with this side of the question. My principal concern and indeed I may say my complaint is that commercial interests have not been consulted either by the Central Government or by the Provincial Governments except, I understand, in the case of Madras. It is, to say the least, curious why all Provincial Governments except Madras should have seen fit to disregard the commercial community, who, I believe I am correct in saying, constitute the largest body of litigants and consequently whose views should be of immense importance in any decision which may be arrived at on this question. Any action taken under section 206 of the Government of India Act, 1935,

I P. M. will certainly affect the Central Government, Provincial Governments and High Courts, but those whom it would affect most of all have so far, with the one exception I have mentioned, been entirely disregarded which I think is not only most unfortunate, but unwarrantable. I should like some explanation as to how this has come about and how it is that the consideration of the question has reached such a stage without Government having taken steps to obtain the views of those whose pockets and property are likely to be seriously affected one way or the other by any alteration in the present system. If the opinion of commercial litigants had been obtained, I venture to predict that such opinion would be found standing shoulder to shoulder with those High Courts and other bodies which have expressed themselves as being opposed to India being severed from the Judicial Committee of the Privy Council either permanently or temporarily.

It may be said that a change of the nature proposed would save litigants expense. Commercial experience will not bear this out and in fact it is greatly feared that the reverse will be the case and litigants will find themselves involved in far greater expense than at present. It may also be argued that on account of the war inordinate delay in the hearing of appeals to the Privy Council is creating undue difficulties. This in my opinion is no argument since even in peace-time a Privy Council case is not heard until some 18 months or two years after reference. Further to this, I have not heard of any difficulties being experienced regarding the availability of counsel in England during the war. London is carrying on and in the words of a film which has been shown in Delhi during the past week, "London can take it".

In conclusion, Sir, whilst I appreciate to the fullest extent the natural desire of any country to have its own organization which can adequately deal with all questions of a legal character which may arise within the area of its autonomous government the Judicial Committee of the Privy Council is, I submit, a body which, strictly speaking, has no location in the eyes of the law since the Sovereign is everywhere throughout the Dominions. This being so, appeals to this famous body cannot be incompatible with the natural desire for a country to have an adequate Tribunal within itself. The Privy Council is not looked upon in any sense as of foreign intervention or as a foreign over-riding Tribunal. India has always valued this Judicial Committee, comprising as it does, most eminent legal personalities including Indians, in whom absolute reliance may be placed as a final and unwavering defence against injustice. The judgments of the Privy Council are, I believe, considered to have had an unparalleled quality and an incomparable influence on the administration of law in this country. It has, I believe, been pointed out that appeal to the Privy Council is not a right but is at the King's discretion and in opposing the Resolution, I hope Government will give commerce and industry an assurance that full reference will be made to them before any decision is arrived at which would in any way prejudice our rights of utilizing His Majesty's discretion.

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 the Honourable Mr. Sapru. I have not been able quite to follow the arguments of the Honourable Mr. Richardson in opposing the Resolution, but I must say that in the present economic position of the people of India it is too expensive to go to the Privy Council and to get a hearing in that Honourable Privy Council not earlier than 18 months after the appeal is filed. The Honourable Mr. Richardson admits that there exists much delay in the hearing of cases by the Privy Council. It is quite clear that as the Federal Court here has not very much work to do it will be able to decide such cases much quicker. I am not a legal man but I think appeals from the Federal Court can go to the Privy Council. But why delay the judgment? As my Honourable friend Mr. Sapru has rightly observed, justice delayed is justice denied. Therefore, Sir, in the interests of the Indian public and looking to the present political situation of the world due to the war, I think the request of my Honourable friend the Mover of the Resolution is a modest and a reasonable one, and I hope the House will give it favourable consideration. I also associate myself with the remarks of the Honourable Mover and the Honourable the Leader of the House regarding the demise of the Right Honourable Justice Shah Suleiman, whose loss we all mourn. He was a great personality and was one of the worthy Judges that adorn the Federal Court.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan): Sir, I join in the tribute paid to the memory of the late Sir Shah Suleiman. His death has removed from the world one of its most outstanding figures. Sir Shah Suleiman was an intellectual giant, a man of versatile genius. Not only was he one of the eminent lawyers in the country, he was also one of the greatest mathematicians and a scientist who enjoyed a world reputation. By the death of Sir Shah Suleiman our country has lost a very great personality whose place it will be difficult to fill either in this or the generations to come.

[Saiyed Mohammad Padshah Sahib Bahadur.]

As regards the Resolution moved by my Honourable friend Mr. Sapru I am sorry that I have to oppose it. My first objection is on the ground that my Honourable friend has somehow thought it advisable to keep criminal jurisdiction out of the extended powers proposed for the Federal Court. At least I gathered that from his speech. My view is that if there is any necessity for any court to be established here or for any extension of the right of appeal to be given to litigants in India, it is in the field of criminal jurisdiction. We all know in the case even of the extreme penalty of death in cases of murder, there is only one appeal allowed to the person concerned. In matters of civil appeal, where after all only private rights are concerned, there are two appeals and also a revision. But in the case of criminal matters, in cases of murder, there is only one appeal, because the first sentence is passed by the Sessions Court and when there is an appeal against it and the appeal is decided by the High Court there is no other forum to which a second appeal could be made by the person against whom the sentence has been passed. I feel if there is any necessity for any court of second appeal to be instituted it is for a court which could take cognizance of criminal matters in the stage of second appeals. Since this thing has been got-out of the purview of the Federal Court according to the recommendation which my Honourable friend Mr. Sapru has made, I am opposed to this Resolution. That is one of the many reasons for which I am opposed to this Resolution.

The second point is that the Federal Court established in the country envisages a state of affairs where there would be one institution for dealing with certain branches of administration for the whole of India; but as Honourable Members know there are different suggestions in the air. There are people who think that there should be two parts of India, that there could not be only one united India with a unitary Government and therefore one has to consider that at a time when things are in the melting pot, before we know whether there is going to be this kind of division in the country, having two independent units, whether it would not be premature to take any steps which would go to give jurisdiction over the whole country to any one institution established in the country itself. From that point of view, I feel that the suggestion is rather premature. It is something like putting the cart before the horse. So far as the present procedure is concerned, I feel that unless things are more definitely settled and India is in a position to have everything for itself, to have self-governing institutions here in other respects also, it would be rather premature for us to take the step which has been recommended by the Honourable Mover; and the view which I have expressed is the view which has been taken by one of our great patriots, Mr. Motilal Nehru. He too was of opinion, when a similar Resolution was moved in the other House that until India was self-governing it was premature to think of having any supreme court in the country itself. On these grounds I oppose the Resolution.

THE HONOURABLE SIR A. P. PATRO (Nominated Non-Official): Sir, it is indeed very difficult to ignore the point of view raised by the Honourable Mr. Richardson that the commercial community should be consulted no doubt in any radical change that may be effected in the administration of justice in this country; but he need have no misgivings. The point of view which he urged before this House was clearly and definitely considered by the Joint Parliamentary Committee at the time and provision in section 206 of the Act has been made after full consideration of the interests of all, including the principle so very eloquently urged by the Honourable Mr. Richardson. The

question before this House is not whether the commercial interests were consulted or whether any High Courts have said anything, but the case which has been placed before the House so clearly by the Honourable and learned Mover must be taken into consideration. The learned Mover has said that the present constitution of the Federal Court is such that it has hardly work for a few days in the year. In fact he says that for months together the Court has to be quite idle. No doubt the judges draw their salaries and the establishment draws its salary in full, but yet the Court has no work whatever according to his experience and knowledge and therefore it is suggested as one reason that some work should be provided for the Federal Court. I concede, Sir, that the arguments which the Honourable and learned Member for the University of Allahabad—

THE HONOURABLE MR. P. N. SAPRU: Unfortunately the University has no vote here.

THE HONOURABLE SIR A. P. PATRO: The Honourable and learned Member has placed before this House arguments sufficiently convincing to a reasonable person that the Federal Court ought to be suspended not that its power should be extended but it should be suspended altogether, because it is born premature. In the anxiety for bringing in Federation this organization has been ushered in without any consideration of what is to come afterwards. The Federal Court is a misnomer within the meaning of the Act of 1935. The Federal Court could only function under certain conditions as stated in the Act of 1935. Before the Federal Court has come into being and before the organization for Federation has been inaugurated and anything like federal formation has been made, this Court was started and was started prematurely. That is one reason why there is no work for this Court, and the little work that it has is divided into three parts, first the original jurisdiction, appellate jurisdiction and occasionally the third part of its functions is supervision. With regard to original jurisdiction we have not yet seen how it could arise between province and province when there is no Federation. Appellate jurisdiction comes in only after the High Court has given leave for appeal. Politicians advocated from time to time and have said, "We do not want Privy Council appeals for India; we want a Privy Council for India itself." No doubt that is a constitutional and political matter. It is in the way of a constitutional change for political power and political purpose. Whatever that may be, as things stand at present, the Honourable and learned Mover has established a strong case for suspension of the Federal Court and not for expansion of its jurisdiction. I have often criticized the inauguration of the Federal Court both in the press and on the platform and said that it is a little premature, that it is a mistake that it should have been inaugurated before the arrangements for Federation of Provinces and Indian States had taken a definite shape or definite form. To my mind it is a political error; and therefore I do not want to have any powers extended to it and I would be glad if the Federal Court is suspended.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary): Sir, in dealing with this Resolution I do not propose to detain the House very long. Honourable Members are already aware that the question of enlarging the appellate jurisdiction of the Federal Court has been engaging the attention of the Government of India. I might add now for the information of Honourable Members that a reference has been made to the Secretary of State on this question. But I hope the House will understand Government's position

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when I say that, since the matter is still in a preliminary stage, it is not possible for me now to divulge the nature of the consultations which are in progress. Nor, as I hope the House will agree, will it be possible for Government to accept a Resolution which commits them in advance to a certain course of action. So important a step as that contemplated in the Honourable Mover's Resolution, namely, the substitution of the Federal Court for the Privy Council in civil appeals, could not be taken without the fullest consideration and study of the various implications of such a proposal. But should concrete proposals emerge as a result of this preliminary consultation then the public will no doubt be given an opportunity of expressing their opinion thereon and in the public, of course, I include commercial bodies the value of whose opinion on a matter of this sort Government, I can assure the Honourable Mr. Richardson, do not underrate.

Having said that, I do not think the Honourable Mover will expect me to take the fly which while fishing for information regarding the opinions expressed by provincial High Courts he threw to me, nor do I think I need pursue the line of argument taken by Sir A. P. Patro, although his viewpoint will, with those of others expressed in this debate, be brought to the notice of the Secretary of State. I should, however, like to correct one misapprehension: under which, I think, my Honourable friend Sir A. P. Patro at the moment labours. If I understood him rightly, he said that, as there was no Federation, no case could arise between the provinces and the centre. If that was what he said, I must tell him that there has already been a case arising between a province and the centre which came before the Federal Court.

THE HONOURABLE SIR A. P. PATRO : There was sufficient organization for appeal in such cases before the Federal Court came into existence.

THE HONOURABLE MR. E. CONRAN-SMITH : I quite understand my Honourable friend, Sir, but it was only on a point of fact that I was venturing to correct the Honourable Member's statement.

Well, Sir, bearing in mind the observations made this morning by my Honourable friend Mr. Hossain Imam on the subject of Government spokesmen making a habit of saying that Government cannot accept a Resolution, I am myself reluctant to use that expression but I hope from what I have said and from such information as I have been able to give this House, Honourable Members will appreciate that it would not be possible for Government at this stage to tie themselves down by accepting the Resolution moved by my Honourable friend Mr. Sapru.

THE HONOURABLE MR. P. N. SAPRU : Mr. Chairman, the Honourable Mr. Richardson, in opposing the Resolution, stated that most appeals go from Calcutta and Bombay. I do not think that that is a fact. I think, if he would care to read the statistics of appeals, he would find that the largest number of appeals provided for for the Privy Council is from the United Provinces, or to be exact, from the Provinces of Agra, Oudh and Madras. Those are the biggest litigant provinces in the country. They are big zemindari provinces and if the commercial community has a grievance that it has not been consulted, surely the landed community too has a right to be consulted? The Honourable Mr. Richardson said that commercial interests had not been consulted. I do not know what he means by commercial interests.

He means the British commercial interests, and for him British interests are supreme. I do not know, Sir, whether his opposition to the extension of the jurisdiction of the Federal Court is shared by the Indian commercial community, the commercial community which counts and which ought to count in any normal country as the real commercial community. I think, Sir, the biggest commercial magnate in this House, so far as Indians are concerned, Rai Bahadur Lala Ram Saran Das, stated that the view of the commercial community is that the jurisdiction of the Federal Court ought to be extended. I should like to know, Sir, if the view of the Indian Merchants Chamber is different from the view of the Honourable Rai Bahadur Lala Ram Saran Das. I know, Sir, that European commercial interests count more with the Government than Indian commercial interests but the fact of the matter is that India is not a normal country. India is a country for the exploitation of British capitalists. Sir, certainly we do want that position reversed so far as our country is concerned; we are thinking in terms of a free India and one of the concomitants of a free India is a Supreme Court in this country.

I have not reflected on the Privy Council at all. I know, Sir, the valuable work that the Privy Council has done but why has Australia or why has Canada dispensed in most cases with appeals to the Privy Council? Why has Ireland abolished the right of appeal to the Privy Council? Why does not the Honourable Mr. Richardson go and preach to Mr. DeValera, "Oh, please don't abolish these appeals to the Privy Council"? He can take the line he has taken because India is a subordinate country and therefore India must not have an independent judicial system also. I ask him: "What about South Africa"? Dare he preach what he has preached here in South Africa? Dare he say, "Because I have come and settled in this country and I have no confidence in the Dutch Judges, South Africa must not curtail the right of appeal to the Privy Council." The argument has been put forward because the British commercial community has been taught to believe, as other minorities have been taught to believe by the British Government of this country, that their interests are supreme with them. Sir, I venture to assert that Indian commercial opinion is behind this Resolution, that Indian landed interests are behind this Resolution, that the tiller of the soil is behind this Resolution. He wants expeditious justice and he wants justice which he can have at a cost which he can bear.

Sir, from the Honourable Mr. Richardson I shall turn to my friend the Honourable Sir A. P. Patro. Sir A. P. Patro was a distinguished member of all the three Round Table Conferences and he was one of the select few who were invited to the Committee to assist the Joint Select Committee. Now, Sir, I should have expected greater knowledge from him of what a Federation is. I am myself a believer in the Federation idea and therefore I cannot agree with my friend the Honourable Sir A. P. Patro. I want—I will not say a united India—I want a greater India, an India in which the Indian States will also come in. Mr. Padshah wants to divide. But I am thinking of Sir A. P. Patro. He was at one time a great supporter of the Federal scheme. He says it was a mistake to usher in the Federal Court at all. It shows that he has no knowledge, if I may say so without disrespect, of what a Federation is or what the Federal Court is intended to be. The Federal Court was a necessary concomitant of provincial autonomy. If you are going to give to the provinces certain sovereign powers, and if you are going to give the centre certain sovereign powers, disputes will arise as to whether a particular question is within the sphere of the province or of the centre. The Federal Court has given some very valuable judgments. You had the excise case, you had the Cantonment case. How could these cases have been decided without the

[Mr. P. N. Sapru.]

machinery of a Federal Court? You cannot have a federation for all British India and Indian States without a Federal Court. Either these provinces were autonomous or they were not autonomous. If these provinces were autonomous, surely they needed a machinery whereby matters between them and the centre could be settled? I, therefore, do not blame the Government of India for having introduced this feature of the scheme into our constitution. The Federal Court was a necessary concomitant of provincial autonomy and I am rather surprised that Sir A. P. Patro overlooked this consideration. He says, "The Federal Court has no function; abolish the Federal Court". Of course, he would abolish provincial autonomy; he would abolish everything. He would not have responsibility at the Centre—

THE HONOURABLE SIR A. P. PARTO: I would abolish my Honourable friend there. It is too much for him to talk in that strain, Sir.

THE HONOURABLE THE CHAIRMAN (The Honourable Sir David Devadoss): No personalities, please.

THE HONOURABLE MR. P. N. SAPRU: So, the point of view of Sir A. P. Patro does not appeal to me and I do not think I need consider him at any greater length.

I come now to the Honourable Mr. Padshah. He says that my Resolution is defective as it makes no reference to a Court of Criminal Appeal. He says he is in favour of a Court of Criminal Appeal. I do not know whether a Court of Criminal Appeal is necessary or not. But he has no reason for denying support to the limited proposition enunciated in this Resolution. True, I have not asked for the jurisdiction of the Federal Court to be extended to criminal cases. The real reason for his opposition is that he is a believer in Pakistan and he wants the whole country to be divided into small States—

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: Not small; two big parts.

THE HONOURABLE MR. P. N. SAPRU: There is a vital difference of opinion on that point between him and me. I do not think that even the expansion of the jurisdiction of the Federal Court will affect his scheme in any way. But, so far as that scheme is concerned, we are determined to fight it, whatever the cost. We can never have any settlement on the basis of a divided India with our Moslem friends. I wanted to say this, because I think the communal issue was unnecessarily dragged in by my very moderate and respected friend the Honourable Mr. Padshah.

Sir, I quite appreciate the difficulties of the Honourable Mr. Conran-Smith. He has told us that he is in communication with the Secretary of State and he cannot at this stage commit Government to one position or the other. If he will give me an assurance that he will communicate this debate to the Secretary of State, I shall be prepared to withdraw my Resolution.

THE HONOURABLE MR. E. CONRAN-SMITH: Sir, I gladly give the assurance which the Honourable Member desires.

THE HONOURABLE MR. P. N. SAPRU: I beg leave, then, to withdraw my Resolution, Sir.

The Resolution was, by leave of the Council, withdrawn.

THE HONOURABLE THE CHAIRMAN (The Honourable Sir David Devadoss): Honourable Members, before I adjourn the House, I wish to observe that the Chair associates itself with all that has been said in regard to the lamented demise of Sir Shah Suleiman. In his death the country has lost a very able and upright judge and a very great scientist.

The Council then adjourned till Eleven of the Clock on Monday, the 24th March, 1941.

COUNCIL OF STATE.

Monday, 24th March, 1941.

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.

ROYAL INDIAN NAVY.

110. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Has there been any increase in the number of commissioned officers in the Royal Indian Navy since the 1st September, 1931 ? If so, how many new officers have been appointed and how many of them are Indians ?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief) : It is understood that the question relates to regular commissions only and does not refer to Reserves. 42 European officers have been appointed since 1931 and 25 Indians.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Am I to take it that the old proportion between British and Indian officers has not been disturbed ?

THE HONOURABLE MR. A. DEC. WILLIAMS : To which proportion does the Honourable Member refer ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : That is the proportion fixed for the recruitment of Indians and Europeans.

THE HONOURABLE MR. A. DEC. WILLIAMS : No, Sir.

VICEROY'S COMMISSIONED OFFICERS AND INDIAN WARRANT OFFICERS.

111. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : With reference to the reply given to question No. 74, on the 6th March, 1941, will Government state whether the Viceroy's commissioned officers and Indian warrant officers, appointed to posts formerly held by departmental officers, are promoted to commissioned rank as selected British warrant officers are, when they are appointed as departmental officers ?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief) : No, Sir. If the Honourable Member will refer to the answer given on the 6th March, he will see that His Excellency the Defence Member said that in the Royal Indian Army Service Corps recruitment of British other ranks has ceased and replacements are being made by Viceroy's commissioned officers and Indian warrant officers. Formerly from among these British other ranks, a certain number of promotions were made to departmental officer. That whole system has now ceased, and the place of the

British other ranks is taken by the Indian ranks I have mentioned. The work previously done by the departmental officers is done partly by these Indian ranks and partly by officers holding the normal type of commission, who may be either British or Indian.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Why is it that when Government decided to appoint Indians to the positions formerly occupied by European departmental officers they decided not to give these Indian officers the rank of departmental officers, that is, commissioned rank?

THE HONOURABLE MR. A. DEC. WILLIAMS: The point, Sir, is that the whole system of departmental officers is gradually being got rid of.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: In what respect is it being changed? As it appears from the Honourable Member's reply that military officers are still being employed, why should not the Indian military officers be promoted to commissioned rank as British warrant officers were formerly?

THE HONOURABLE MR. A. DEC. WILLIAMS: There are a certain number of British other ranks on the India Unattached List but it is not proposed to continue indefinitely the system of transferring people from that List to become departmental officers. The system is gradually being eliminated.

THE HONOURABLE MR. HOSSAIN IMAM: May we know what will replace it, whether the officer ranks are to be abolished or the venue is being changed?

THE HONOURABLE MR. A. DEC. WILLIAMS: I am afraid I do not understand the question.

THE HONOURABLE MR. HOSSAIN IMAM: I want to know whether the Government propose to abolish the officer ranks or do they simply wish to replace Europeans by Indians?

THE HONOURABLE MR. A. DEC. WILLIAMS: What is intended is to get rid of departmental officers.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Am I to understand, Sir, that the place of departmental officers will be taken by Indian commissioned officers, Indian warrant officers and British other ranks and that members of none of these classes will be promoted to commissioned rank?

THE HONOURABLE MR. A. DEC. WILLIAMS: That is not an exhaustive statement of the case, but the last part is correct to the extent that further promotions to the rank of departmental officer are being discontinued. But as for replacements, in some cases they may be replaced by civilian officers.

RECRUITMENT TO THE INDIAN POLICE.

112. THE HONOURABLE MR. P. N. SAPRU: Will Government state:—
(a) the strength of the present cadre of the Indian Police Service; (b) the respective strength of the Indian and European element in the Service; (c) the method by which the Service is recruited; (d) the proportions fixed for

annual recruitment of Indians and Europeans; (e) the method of recruitment followed in England and India since the war; (f) the number of provincial police service officers promoted to the Indian Police Service; and (g) the number of Europeans and Indians directly recruited of three years or less than three years' service in charge of districts in the United Provinces?

THE HONOURABLE MR. E. CONRAN-SMITH: (a) The present sanctioned strength of the Indian Police cadre is 632.

(b) The number in service on the 1st January, 1940 was 422 Europeans and 194 Indians.

(c) Prior to 1939, recruitment in England was made by competitive examination. In 1939, recruitment in England was made partly by competitive examination and partly by selection. In India recruitment is made by competitive examination and by promotion from among officers of the provincial police service.

(d) The prescribed proportion for direct recruitment is 50 Europeans to 40 Indians.

(e) Since the war recruitment in England has been made purely by selection. In India no change has been made in the existing methods.

(f) 62 till the end of 1939.

(g) Government have no information, as postings are made by provinces.

PROMOTION OF PROVINCIAL SERVICE POLICE OFFICERS TO THE INDIAN POLICE.

113. THE HONOURABLE MR. P. N. SAPRU: Will Government state the number of provincial police officers who have been promoted to the Indian Police Service in the various provinces and the proportion that their number bears to the total strength of the police service?

THE HONOURABLE MR. E. CONRAN-SMITH: The number of officers promoted to the Indian Police in the various provinces till the end of 1939 is given below:—

Madras	7
Bombay and Sind	9
Bengal.	12
United Provinces	11
Punjab, North-West Frontier Province, Baluchistan and Delhi	10
Bihar and Orissa	5
Central Provinces	5
Assam	3
Total	62

This is about 10 per cent. of the total strength.

PROMOTION OF PROVINCIAL SERVICE POLICE OFFICERS TO THE INDIAN POLICE.

114. THE HONOURABLE MR. P. N. SAPRU: Will Government state whether it has considered the desirability of giving to provincial police service officers greater opportunities of promotion to district charges than existing at present?

THE HONOURABLE MR. E. CONRAN-SMITH: No. Government consider that the existing arrangements are satisfactory.

TERMINATION OF CONTRACT OF CERTAIN VENDORS ON THE RAILWAY STATION,
ALLAHABAD.

115. THE HONOURABLE MR. P. N. SAPRU : (a) Is Government aware that (1) Bhola Nath Dakhni Prasad, (2) Lachhmi Narain Onkar Nath, (3) Radhey Mohan, Sweetmeat Vendors, (4) Mewa Lal, Pan-Biri and Cigarettes Vendor, (5) Buccha Khatik, Fruit Vendor, (6) Shyam Lal, Dahi Bara Vendor, (7) Narain, Hindu Tea Vendor, (8) Iswar Dass, Fruit Vendor, (9) Lachhmi Narain, Milk, Cream and Curd Vendor, were vendors at the Allahabad Railway Station for several decades ?

(b) Have their contracts with the Railway been terminated on notice without specifying any reason ?

(c) On the representation of Bhola Nath Dakhni Prasad and Lachhmi Narain Onkar Nath, dated the 19th August, 1940, asking for reasons for the drastic action, were they told by the Divisional Superintendent in his letter dated the 23rd August, 1940, that the reason was that "the Sanitary Committee considered the foodstuffs displayed by them unsuitable for human consumption" ?

(d) On a further representation that no Sanitary Committee ever visited their shops, nor were they ever warned for bad quality of their foodstuffs, did the Divisional Superintendent withdraw his remarks and did he apologise for them ?

(e) Will Government state the reasons for terminating the contracts of each of them ?

(f) To whom have the contracts terminated with them been given now, and why ?

THE HONOURABLE MR. L. WILSON : I have called for the information and a reply will be laid on the table of the House in due course.

INDIAN CATERING AT RAILWAY STATIONS, ETC.

116. THE HONOURABLE MR. P. N. SAPRU : (a) Will Government state what arrangements for the Indian eatables have been made at the Railway Stations, viz., Calcutta, Dinapur, Moghalsarai, Benares, Sikrol, Moradabad, Aligarh and Partabgarh and what arrangements for Indian eatables have been made on the whole of the G. I. P. R. and B., B. and C. I. R. and at Bombay ?

(b) Have the contracts of all the stations and the lines mentioned in (a) above been given to one individual firm and has the said firm in this way got virtual monopoly in the matter of supplying Indian refreshments on those lines and stations ?

THE HONOURABLE MR. L. WILSON : (a) I understand that Indian catering at the stations and on the railways mentioned is done by firms or individuals under contract with railway administrations.

(b) No.

HARDSHIPS CAUSED BY THE WORKING OF THE MOTOR VEHICLES ACT, 1939.

117. THE HONOURABLE MR. N. K. DAS : (a) Are Government aware that great hardships are experienced by many of the passenger carriers in Orissa as a result of the exercise of the powers of restriction

by the R. T. As. conferred upon them under the Motor Vehicles Act, 1939 ? Has a large number of *bona fide* bus owners, who used to have permits before the Act of 1939 came into force in that province, been thrown out of the road ?

(b) If so, what measures do Government propose to take to remedy these hardships ?

(c) If not, do Government propose to inquire into the matter at a very early date ?

THE HONOURABLE MR. S. N. ROY : (a) No.

(b) Does not arise.

(c) No. The Act provides for appeals to the prescribed authority under rules made by the Provincial Government under section 68 of the Act.

THE HONOURABLE MR. N. K. DAS : May I know, Sir, why do Government not propose to inquire into the difficulties that are arising in the provinces ?

THE HONOURABLE MR. S. N. ROY : This is a matter, Sir, which falls within the provincial field. The Act itself falls in the Concurrent List but all executive action under the Act has got to be taken by the Provincial Government.

HARDSHIPS CAUSED BY THE WORKING OF THE MOTOR VEHICLES ACT, 1939.

118. THE HONOURABLE MR. N. K. DAS : (a) Has the attention of Government been drawn to the speeches of Mr. K. G. Mitchell, Government of India, delivered in the Legislative Assembly on the 29th August and 8th September, 1939, in respect of what should, at the initial stage, be the proper use of the powers of restriction under the Motor Vehicles Act by the Provincial Governments and by P. T. As. and R. T. As. ?

(b) If so, is there any proposal before Government to draw the attention of the Provincial Governments and of the P. T. As. and R. T. As., to the speeches referred to in (a) ?

THE HONOURABLE MR. S. N. ROY : (a) Government are aware of the speeches referred to.

(b) There is no such proposal. The debates in the Assembly have no binding force and are in any case available to the authorities mentioned.

THE HONOURABLE MR. N. K. DAS : May I know, Sir, if the opinion expressed by Mr. K. G. Mitchell is also the opinion of the Government in the matter regarding the restriction in the motor vehicles ?

THE HONOURABLE MR. S. N. ROY : That is asking for opinion, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : On whose behalf did Mr. Mitchell speak, on his own behalf or on behalf of Government ?

THE HONOURABLE MR. S. N. ROY : When he spoke on the debate he was presumably speaking for Government.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: May it not be then supposed that the opinions expressed by him are those sanctioned by Government?

THE HONOURABLE MR. S. N. ROY: The Honourable Member can draw his own inferences. He does not want my opinion on that.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Since the answer given by him to part (b) is in the negative, may I know why the opinion expressed by Mr. Mitchell is not being treated now as the opinion of Government?

THE HONOURABLE MR. S. N. ROY: The reply to part (b) is not in the negative. I said there is no such proposal, and the rest of the answer I gave was this: "The debates in the Assembly have no binding force and are in any case available to the authorities mentioned".

HARDSHIPS CAUSED BY THE WORKING OF THE MOTOR VEHICLES ACT, 1939.

119. THE HONOURABLE MR. N. K. DAS: (a) Are Government aware that since limitations were imposed under the Motor Vehicles Act, 1939, in Orissa, all bus owners who have pooled their buses under one Association are practically monopolizing the trade and as such have been dictating their own terms in the matter of performance of an important public service, namely, the conveyance of mails?

(b) Is it a fact that the Postal authorities are contemplating to take recourse to the old system of conveyance of mails by runners and bullock carts, wherever monopolistic tendencies referred to in (a) exist?

(c) What steps do Government propose to take to break up the monopolistic tendencies on the part of transport carriers, wherever they exist in the provinces?

THE HONOURABLE MR. S. N. ROY: (a) and (b). No.

(c) Government have no reason to suppose that the safeguards provided in the Act are not adequate.

NUMBER OF CANDIDATES FOR EMERGENCY COMMISSIONS FROM ORISSA, ETC.

120. THE HONOURABLE MR. N. K. DAS: Will Government state how many candidates had offered for selection, how many were interviewed and how many of them have been finally selected for Emergency Commissions in the Indian Army from each of the Provinces of Orissa, Bengal and Bihar?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): Candidates for commissions are selected without regard to their province of origin, of which no record is available at Army Headquarters.

THE HONOURABLE MR. HOSSAIN IMAM: May we ask, Sir, since when have the Government started this system, of not keeping records by provinces?

THE HONOURABLE MR. A. DEC. WILLIAMS: That implies the inference, Sir, that Government at one time maintained these records.

NUMBER OF CANDIDATES SELECTED FOR THE INDIAN AIR FORCE FROM ORISSA.

121. THE HONOURABLE MR. N. K. DAS: Will Government state how many candidates had offered and how many were selected as Pilots in the Indian Air Force from Orissa and how many of them are receiving the necessary training?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): Pilots in the Indian Air Force are selected without regard to the province of origin, of which no record is available at Air Force Headquarters.

THE HONOURABLE MR. N. K. DAS: May I know if it is possible to find out how many from Orissa have been selected?

THE HONOURABLE MR. A. DEC. WILLIAMS: It is possible, but it would be very difficult. Such papers of those who are selected as are available in connection with their appointment go off to their training centres and the papers of those who were not successful, if available at all, are only available at the centres at which they made their application.

POSTAL SUPERINTENDENTS.

122. THE HONOURABLE MR. N. K. DAS: (a) Will Government state the number of Postal Superintendents in India and how many of them are Oriyas?

(b) How are these posts still filled, whether by nominations or selections or by other means?

(c) What is the number of posts that have been filled since the last selection was made from Orissa?

THE HONOURABLE MR. S. N. ROY: (a) There are at present 126 permanent Postal Superintendents of whom one is an Oriya.

(b) I would refer the Honourable Member to the reply I gave to part (b) of question No. 12 asked by the Honourable Maulvi Ali Asgar Khan on the 25th February, last.

(c) 98 posts of Postal Superintendents have been filled since an Oriya was last selected for appointment to this grade.

INDIAN CIVIL SERVICE.

123. THE HONOURABLE MR. HOSSAIN IMAM: Will Government give the following information about the I.C.S. :—

(a) The number of superior posts in each province at the end of 1925, 1935 and 1940?

(b) The number of posts for the Government of India included in the cadre of each province on the above dates?

(c) The actual strength of the cadre in each province on those dates?

(d) The number of Europeans and Indians on the above noted dates? and

(e) The theoretical strength on those dates?

THE HONOURABLE MR. E. CONRAN-SMITH: Sir, I lay a statement on the table.

INDIAN CIVIL SERVICE.

124. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state the number of European and Indian I. C. S. officers on (a) long leave, and (b) short leave, in June 1925, 1935 and 1939 ?

THE HONOURABLE MR. E. CONRAN-SMITH : Sir, I regret that the information is not readily available. Moreover the labour involved in collecting it from the Provincial Governments would not be commensurate with the results to be obtained.

THE HONOURABLE MR. HOSSAIN IMAM : Have Government ever examined actuarially what should be the leave reserve ?

THE HONOURABLE MR. E. CONRAN-SMITH : Government have examined the matter very fully indeed in consultation with the Government Actuary and the Provincial Governments.

THE HONOURABLE MR. HOSSAIN IMAM : Was this examination held before the Report of the Wheeler Committee or after their Report ?

THE HONOURABLE MR. E. CONRAN-SMITH : I am afraid I must ask for notice of that question, Sir.

INDIAN CIVIL SERVICE.

125. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state the number of European and Indian officers of the I. C. S. recruited each year since 1935 to date giving the number of Muslims taken each year ?

THE HONOURABLE MR. E. CONRAN-SMITH : I place a statement on the table, which contains the desired information.

Statement showing the recruitment of Indians and Europeans to the Indian Civil Service since 1935 and the number of Muslims.

Year.	No. of Europeans.	No. of Indians.	No. of Muslims.
1935-36	4*	23 including	6
1936-37	36*	33	8
1937-38	33	22	6
1938-39	28	20	5
1939-40	22†	18	4
1940-41	11†	21§	6§
Total	134	137	35

*Excluding Europeans recruited for Burma.

†Excluding 1 European recruited for North-West Frontier Province.

‡Excluding 2 Europeans recruited for North-West Frontier Province.

§To be recruited from the Delhi examination of 1941 except for six Indians already selected in London in 1940.

¶The figures given above are not for calendar years but for "recruitment years"—one recruitment year comprises the London recruitment of one year and the Delhi examination of the following year, e.g., the year 1935-36 represents the intake in London in 1935 plus the intake in Delhi in 1936.

Provinces.	1925.				1935.				1940.			
	No. of superior posts on Provincial cadres on 1st July 1925, (excluding Government of India posts.)	No. of superior posts on Provincial cadres on 1st April 1925, (excluding Government of India posts.)	Total.	Actual strength on 1st January 1925.	No. of superior posts on Provincial cadres on 1st April 1935, (excluding Government of India posts.)	No. of superior posts on Provincial cadres on 1st April 1935, (excluding Government of India posts.)	Total.	Actual strength on 31st December 1935.	No. of superior posts on Provincial cadres on 1st April 1940, (excluding Government of India posts.)	No. of superior posts on Provincial cadres on 1st April 1940, (excluding Government of India posts.)	Total.	Actual strength on 31st December 1940.
Madras	96	97	173	31	8	97	173	89	91	162	170	88
Bombay	80	77	153	24	9	77	153	72	77	138	135	69
Bengal	98	101	180	33	8	101	180	103	99	176	186†	89
United Provinces	114	111	195	30	9	111	195	118	107	191	191	86
Punjab	83	83	147	16	7	83	147	94	86	155	163	60
Bihar and Orissa	61	61	107	18	5	61	107	67	63	121	116	53
Central Provinces and Berar	54	44	97	18	4	44	97	51	47	82	86†	39
Assam	21	23	44	4	2	23	44	24	22	39	37	12
Total	607	597	1,096	174	52	597	1,063	618	597	1,064	1,084*	496

*Includes three unclassified officers.

†Includes one unclassified officer.

INDIAN CIVIL SERVICE.

126. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the date from which the theoretical strength of the I. C. S. was changed from 202·79 to 184 per cent. of the posts? How was this change announced and what were the reasons for this change?

THE HONOURABLE MR. E. CONRAN-SMITH: I presume that the Honourable Member is referring to the determination of the total strength of the Indian Civil Service as made by the Secretary of State in terms of section 244 (3) of the Government of India Act, 1935. This determination was last made on the 15th February, 1940. As a result, the total strength of the Indian Civil Service which had been formerly fixed under section 96B(2) of the old Government of India Act at 1057, was revised to 1,064. There was no requirement to announce the change but Provincial Governments were aware of its nature and of the reasons for making it. The method by which this total strength is settled is somewhat complicated. Broadly speaking, it depends on two factors. The first of the two factors is the total number of superior posts requiring to be filled by Indian Civil Service officers. The second is the number of officers required in order to maintain a steady supply to fill superior posts, account being taken of officers undergoing training, or on leave, or deputation. Originally, the first figure had been fixed at 521 and the second at 202·79 per cent. In actual experience, however, it was found that the number of superior posts for which the services of Indian Civil Service officers were required (more particularly for the Central Government) was larger than had been originally estimated; while, on the other hand, the number on leave or on training was less. A careful review of these two factors in the light of experience and in consultation with Provincial Governments and the Government Actuary showed that according to present requirements the figures should be now assumed to be 578 and 184 per cent. instead of 521 and 202·79 per cent. the figures assumed formerly.

The decrease in the second figure from 202·79 to 184 (which is the subject matter of this question) was considered necessary for the following reasons:—

- (i) The average period spent under training is somewhat less than originally estimated, involving a reduction of the training reserve from 15·13 to 10·19.
- (ii) The average period of leave actually taken under present conditions is considered likely to be somewhat less than formerly, involving a reduction of the leave reserve from 41·96 to 37·72.
- (iii) The number of years of service considered necessary to qualify an officer for holding a superior post tends to be nearer 6 than 8, involving a reduction of the provision under this head from 38·7 to 26·09.
- (iv) The decreases under the above three heads are offset by a slight increase in the deputation reserve from 7 to 10.

The net decrease from 202·79 to 184 is thus accounted for.

THE HONOURABLE MR. HOSSAIN IMAM: May I ask whether this change was notified in the Gazette or in a press communique or otherwise?

THE HONOURABLE MR. E. CONRAN-SMITH: I think I have already answered that. No announcement had been made, nor was any required to be made.

INDIAN CIVIL SERVICE.

127. THE HONOURABLE MR. HOSSAIN IMAM: (a) What were the reasons for increasing the Government of India posts for the I. C. S. in the provincial cadre, (b) when was this decided, and (c) were the two Houses of the Indian Legislature or the Standing Finance Committee consulted or informed? If not, why not?

THE HONOURABLE MR. E. CONRAN-SMITH: (a) The attention of the Honourable Member is drawn to the reply given to his last question on the subject of the revision of the total strength of the Indian Civil Service. The reason for increasing the provision made in the provincial cadres for superior posts under the Government of India was that the provision previously made was found by experience to be inadequate to fill the central posts actually existing.

(b) 15th February, 1940.

(c) No. The decision referred to was not made by the Government of India but by the Secretary of State under powers vested in him by section 244 (3) of the Government of India Act, 1935.

THE HONOURABLE MR. HOSSAIN IMAM: May we know under that section whether a period was specified for the Secretary of State to make his announcement?

THE HONOURABLE MR. E. CONRAN-SMITH: I do not understand the Honourable Member's question. The section of the Government of India Act is clear and the Honourable Member can himself refer to the section for information with regard to the particular point he has raised.

DEATH OF SIR MUHAMMAD HAYAT KHAN NOON.

THE HONOURABLE THE PRESIDENT: Honourable Members, I am very sorry to announce to you that one of our old Members has passed away. I am referring to the death of the Honourable Sir Muhammad Hayat Khan Noon who was for many years a member of this Council and a distinguished and prominent Member. After retiring with distinction after completing Government service as a Commissioner of a Division he was nominated to the Second Council of State, and he was nominated again, on the expiration of the Second Council, to the Third Council of State. He was the father of Sir Feroze Khan Noon the present High Commissioner in England. Sir Hayat Khan Noon was a distinguished and popular Member for many years. He took an active part in the deliberations of this Council and he was respected by all Members as a gentleman who associated himself not only with matters relating to the Government services but with everything that was loyal and fair. He had great regard for precedents and in many ways he respected the traditions and the rules of this House. I am sure you all are very sorry about his death and I think I echo the sentiments of you all when I say that you would like me to send a letter of condolence to Sir Feroze Khan Noon.

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COUNCIL OF STATE

[24TH MARCH, 1941]

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : I wish to associate myself with what has fallen from the lips of the Honourable the President. I knew the Honourable Nawab Sir Muhammad Hayat Khan for a long time. He joined the subordinate civil service in the Punjab and before his retirement was Commissioner of the Lahore Division. He was a very popular person and all communities had great regard for him. In him I have lost a personal friend and a very popular Punjabi, whose loss has created a gap in Punjab society which it will be difficult to fill.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, I wish also to associate my Party in the expressions that have been made by you, Sir, and the previous speaker.

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 meetings held on the 21st and 22nd March, 1941, namely :—

A Bill further to amend the Indian Merchant Shipping Act, 1923.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the rate of the excise duty on matches leviable under the Matches (Excise Duty) Act, 1934, to vary the rate of the excise duty on mechanical lighters leviable under the Mechanical Lighters (Excise Duty) Act, 1934, to vary the rate of the duty on artificial silk yarn and thread leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax and to continue the charge and levy of excess profits tax and fix the rate at which excess profits tax shall be charged.

A Bill to provide for the imposition and collection of an excise duty on tyres.

A Bill further to amend the Excess Profits Tax Act, 1940.

RESOLUTION RE REVIEW OF INDUSTRIAL DEVELOPMENT.

(The Honourable the President called on the Honourable Pandit Kunzru to move the Resolution standing in his name.)

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House) : Before my Honourable friend decides to move his Resolution, will you permit me, Sir, to make a suggestion for his consideration ?

THE HONOURABLE THE PRESIDENT : Certainly.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : The Resolution touches on very important questions of industrial policy, and I think the House will agree that it should have the benefit of the views of the Honourable

the Commerce Member who himself is very anxious to participate in this debate. Unfortunately he is detained unavoidably elsewhere today, and the suggestion therefore that I wish to put forward for the consideration of my Honourable friend, Sir, is that this Resolution be not taken up today, but that Government assign time on an official day for its discussion. If that is agreeable, Sir, then we shall be content on this side.

THE HONOURABLE THE PRESIDENT : I am quite agreeable.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : I am sure, Sir, that the whole House will appreciate the desire of the Honourable the Commerce Member to take part in the discussion on this Resolution. I am therefore ready to fall in with his wishes, and I suggest, Sir, that the discussion on this Resolution may be postponed to some other day, during the present session of course.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : That is understood.

RESOLUTION RE INDIAN CIVIL SERVICE.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President : I rise to move :—

“ That this Council recommends to the Governor General in Council to form a Committee of officials and non-officials to examine the questions of the strength of and the posts reserved for the Indian Civil Service. ”

Mr. President, the subject matter of the Resolution would not have been brought forward before the House now when we are in the midst of such a conflict which has made it a question of life and death for the Empire had it not been the fact that it involves questions concerned with these hostilities too.

THE HONOURABLE THE PRESIDENT : Are you going to withdraw the Resolution ?

THE HONOURABLE MR. HOSSAIN IMAM : No, Sir.

THE HONOURABLE THE PRESIDENT : Then what are you offering an apology for ?

THE HONOURABLE MR. HOSSAIN IMAM : I am saying, Sir, that in the ordinary course of business I would not have moved this Resolution before the House on account of the war if it had no connection with war activities.

Sir, the question of the strength of the I. C. S. has never received the amount of attention which it deserves either in the Legislature or from the press. It is, Sir, a unique thing that we should have a recruitment of such a high number for such a small number of posts. I have been urging this question for a long time. On the 11th September, 1933 I moved a Resolution on this subject in the Council of State. I had then suggested that the strength of the Service should be brought down from 202·79 per cent. to 160 per cent.

*Not corrected by the Honourable Member.

[Mr. Hossain Imam.]

The full details will be found in the debate of the Council of State of that date. I again moved a Resolution on the subject, Sir, on the 16th March, 1936 in which, as a result of the Government's reply to my former Resolution, I pitched my demand at a slightly lower limit. I suggested, Sir, that 175 should be the quota for recruitment. We discussed, Sir, this question partially again on the 19th November, 1937 when I moved the Adjournment of the House to consider the recommendation of the Wheeler Committee Report: and I was glad to learn from the reply given by the Honourable Mr. Conran-Smith to my question today that on an examination it was found possible for the Government to reduce this figure to 184. So, after all my efforts have not been wasted. They have borne fruit, though in a smaller quantity.

Sir, I shall deal first of all with the question of the strength. In spite of the warning which the Home Secretary gave that it was a very technical question—I may say, Sir, that it is ticklish too—the fact that he himself brought out in his reply to the question that now a six years' probationary period only is required to fit an officer to hold a superior post goes a long way to strengthen my own case for reducing the cadre. I tried in a subsequent question of mine to get from the Honourable Member some idea as to how he has based the leave reserve at 37.72 per cent. but he declined to give me the actual facts as regards the officers who were on leave which would have given me some basis on which to base my arguments—

THE HONOURABLE MR. E. CONRAN-SMITH: May I say, on a point of explanation, Sir, that I did not decline to give the information? I said we had not got the figures and that it was not fair to ask the provinces to undertake the labour of research involved in collecting them.

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, by keeping a reserve we are spending not thousands but lakhs of rupees. Is it a waste of time and labour if you find out on an actuarial basis what should be the strength?

THE HONOURABLE MR. E. CONRAN-SMITH: We have done so. We made an actuarial examination.

THE HONOURABLE MR. HOSSAIN IMAM: I wanted to know whether the examination was made before or after the Wheeler Committee Report, because that Committee says that an actuarial examination was made in 1919. Conditions have changed immensely since then. Firstly, there are a great number of Indians who have been taken; secondly, there is the case in which the duration of travel is reduced, and thirdly, the fashion in leave has changed. The leaves now mostly are for four or six months instead of for 18 months or 14 months, which used to be the case formerly. There are any number of changes. I do not know if the Government has suppressed information, but from all the information published I find that this question of leave reserve has not been examined for the last 20 years. If Government were really desirous of coming to some definite conclusion on this subject, it would be very easy to have these calculations made, especially when the Secretary of State was going to fix the quota as to what should be the number of officers to be recruited, it was essential that this matter should have been thoroughly examined. It is unthinkable that any Government would embark on such a momentous task of fixing the cadre without having an actuarial examination over a sufficiently long period in view of the varied circumstances of the Service.

(At this stage the Honourable the President vacated the Chair which was taken by the Honourable Saiyed Mohamed Padshah Sahib Bahadur.)

Sir, I have been most unsuccessful in this leave reserve question. On the first occasion I advocated a 25 per cent. reserve which would have meant 100 odd people as leave reserve. The number, Sir, is 578 and a leave reserve of 25 per cent. would mean something in the neighbourhood of 145. That leave reserve of 145 would be quite adequate to cover not only the actual requirements for the leave but even more than that. When I brought up this question for the first time in September, 1933, I laid on the table a statement, which is at page 285, in which I have shown the number of officers who went on leave. It was found at that date that out of 28 Indians, three were on leave, which gave 10.7 per cent., and out of 77 Europeans, 20 were on leave, which gave 26 per cent. This includes all Services, junior, senior and everything. That is the figure for Bihar and Orissa. In Bengal the question was almost similar, but rather a little better. There were 63 Indians in Bengal of whom one was on long leave. When I refer to long leave, I do not count short leave or minor leave. One Indian was on leave giving an average of 1.5 per cent., and out of 104 Europeans, 19 were on leave giving a return of 18 per cent. In the United Provinces, Sir, to which our distinguished Leader belongs, there were 60 Indians of whom five were on leave, giving a percentage of 8.3, and out of 129 Europeans, 31 were on long leave, or 24 per cent. The average figure for the three provinces, which I had then examined, was found to be as follows. Out of 151 Indians, nine were on long leave, giving 6 per cent., and out of 310 Europeans, 70 were on long leave, giving less than 23 per cent. This will show that the amount of leave reserve maintained by the Government is out of all proportion for the Service for which they have been fixed, and it is strange that as late as the 15th February, 1940, Government should have come to this decision without so much as examining the question or intimating that they want to come to a decision or that they have come to a decision. We came to know of this change for the first time by looking into the Provincial Civil Service List. I can speak for my own province of Bihar. They were not definite as to how to distribute the 184 persons, because, in two issues of the *Civil List*, there was material difference between the reserves maintained for each category. The probability is that they did not understand exactly on what this has been based, although now, in reply to my question No. 126, the Honourable the Home Secretary has made it more than clear how and why these reductions were made. My complaint is about the leave reserve which has not been brought down to a sufficiently low figure in consonance with other Services. May I remind the Honourable Member that in other Services, for instance, the Central Service of Indian Audit and Accounts of which I have some knowledge, the leave reserve is at 11 per cent. I do not know exactly the leave reserve but I can say from memory that it is about 18 per cent. in the Indian Police Service. I am very glad that in the inferior posts reduction has been made, as stated by the Honourable Home Secretary. May I just say one word about the training reserve. Although it has been sufficiently reduced, yet if he will examine the question on the same lines as he examined item (3) about the duration of the officers holding junior posts, he will find that the training period has also been materially reduced. Now the average period for an I.C.S. officer spent on training is in the neighbourhood of one year. Concurrently with this the actual duration of the service of the officers has also been reduced, which results, if an examination is made on a mathematical basis, in reducing the intake necessary to equalize the training period. I personally find that it is more nearly 7.5 per cent. than 10.19 per cent. as has been decided by the Government. I would suggest that if they ever embark on an actuarial examination of the leave reserve they may take this also into consideration.

[Mr. Hossain Imam.]

Then, Sir, I would like to remind the House that when I moved my Resolution in 1936 the then Home Secretary Sir Maurice Hallett replying to my demand that listed posts should be increased stated that the present programme would be completed by the year 1939, and he said that it was premature to consider that question of listed posts and it would be time to consider it after 1939. I thought when the Secretary of State was going to fix the number of the posts which are to be recruited for the I. C. S. he would take into account the fact that this listing of the posts which was formerly at 16 per cent. and was increased in 1924 to 20 per cent.—and for which there has been a consistent demand from the provinces for further increase—would be increased to 25 per cent., because that is a very material fact in consideration of the strength of the I. C. S., because the position is that you deduct the number of listed posts in arriving at your figure for direct recruitment to the I.C.S. I think the provincial service men have sufficiently shown their ability to hold these posts and they have successfully discharged the functions of these superior posts. If the Secretary of State was to fix the number for the I.C.S. cadre, it is only natural that we should look forward to an increase in the listed posts. As the House is aware, in most countries the judiciary is usually filled by people practising at the Bar, except in India where this did not prevail and where it has only been started for the last dozen years or so ; although we were having High Court Judges drawn from the Bar for a long period, District Judgeships were not open to the Bar because those posts were the preserve of the I.C.S. Sir, I have no grouse against the I.C.S., but I believe in "Live and let live", and that everything should not be reserved for the I.C.S. There are other deserving people and sometimes even better qualified people who can be had if the Government so desire.

(At this stage the Honourable the President resumed the Chair.)

Sir, I am very much indebted to the Wheeler Committee for having given me a factual proof of what I have been demanding for the last eight years. When I say factual proof, I mean that the statements given by the Wheeler Committee bear out the conclusions to which I came independently by means of an ordinary study of the facts and figures. In Appendix VI on page 67 the Wheeler Committee gave the number of theoretical recruitment required each year from 1914 to 1935-36. They also gave the actual recruitment which was made in those years, and of course they distinguished how many were taken by examination and how many by nomination and how many were British and how many were Indian. I am only concerned with the theoretical recruitment figure and the actual recruitment made in the five years beginning from 1929-30 and ending with 1933-34. I find that there ought to have been on the theoretical basis a recruitment of 333 men. That is the sum of the five years figures. But actually the number employed was 251. There was thus, Sir, a reduction of 82 posts, and if you regard the actual recruitment as the basis of the superior posts you come to the conclusion that in five years you were recruiting 154 per cent. of the superior posts. For five years you continued recruitment at a figure which was very much lower than your fixed quota of that date and lower than the quota which you have now fixed. A question might easily be asked that this reduced recruitment in five years may have adversely affected the cadre ; and it is this doubt which could genuinely have been expressed which has been rebutted by the Wheeler Committee. In their Appendix VII on page 69 they give the actual number of people at different stages of service who were employed in the service group of one to five years, which would be covered by

the five years that I have taken ; because this examination was made at the end of 1935 and I have taken the figures of recruitment up to March, 1934 ; so I have given that one year's margin. The actual figure was that theoretically there ought to have been 195 people of this duration of service and there were actually 239. After a reduced intake you had a surplus of 46 officers. This is the greatest factual proof, as I call it, which the Wheeler Committee gives me in demanding that the strength of the Service is out of all relationship to the realities of the situation. The realities have so changed that all your old bases have gone by the board, and it is strange that the Government should fix for a long duration of time the cadre of such an important service without taking into consideration the facts which their own Committee had found. These figures are not compiled by me ; they were before the Government and they did not consider them and their repercussion on the Service. If I reduce this to a percentage it will be found that instead of 195 you had 239 men, which means an excess of nearly 22 per cent. This happened in spite of a 25 per cent. reduction in the intake. Then, Sir, you must not lose sight of the fact which has been brought out by the Wheeler Committee Report that a number of persons were retiring on proportionate pensions during those years ; and there was therefore more depletion in the service than would have been the case if they had remained in service for their full tenure. I find from the Wheeler Committee Report that in 14 years 167 men, or 12 men per year, were retiring on proportionate pension. The figure which the Honourable the Home Secretary gave us the other day showed that retirement on proportionate pension has been 23 in the last three years for which he gave us figures, which again shows that there is a reduction in the number outgoing, or wastage as it is called. All these facts would be sufficient for any Government but the Government of India to reopen and drastically change the position, but the Government of India is so slow in its movement that nothing can be done unless you have a committee or some other means of enforcing your demand. We are told that the I. C. S. is the peculiar preserve of the Secretary of State and the Government of India, and we, the taxpayers, have no *locus standi*. Theoretically this may be correct, but whenever a mistake is made, even the Courts are ready to reopen and rectify genuine mistakes and consider the question *de novo*. I say, Sir, that the Government of India in fairness ought to examine this question and come to the conclusion which should be based on realities and not on suppositions.

Now, Sir, the second part of my Resolution deals with the number of posts which should be on the cadre. Here, Sir, I have this difficulty. Although I have received a very illuminating reply from the Honourable Member in reply to my question No. 123, I am still at a little disadvantage, because I received it only today. I may say that we had no meeting, otherwise these questions would have come earlier. When I stated in the Resolution on the I. C. S. on the 27th February that the number of posts in the Government of India have been greatly increased it was probably not believed. Now I have before me the actual reply of the Government which shows that the number of superior posts of the Government of India on provincial cadres on 1st April, 1935 was 52 and now, Sir, it has gone up to 125. I was under the impression that it had doubled. It is nearly three times. It has increased much more than I had supposed. This increase has been made as the basis of two committee reports—the Wheeler Committee Report and the Maxwell Committee Report. The Wheeler Committee Report was not published by the Government till a very late date. It was actually published in November, 1937. We had an Adjournment Motion on the Wheeler Committee Report in this House

[Mr. Hossain Imam.]

and that Adjournment Motion was talked out. We were deprived of the very valuable and very important thing concurrently with the Wheeler Committee Report, viz., the Maxwell Committee Report. We had only the benefit of a Press Note by the Government to go upon and even the findings of the Government as entered there have not been fully honoured; neither is the Press Note very clear about material facts. In the first place, the Press Note does not mention what will be the number of posts reserved for the I. C. S.

THE HONOURABLE THE PRESIDENT: You have only two minutes more. Please bring your remarks to a close.

THE HONOURABLE MR. HOSSAIN IMAM: I have not got much to say now. This is the last item which I am dealing with. In the Press Note on page 2, in paragraph 4, the Government state:—

“This cadre will be recruited from the I. C. S. and from the Central Services in proportions which will hereafter be settled.”

This was stated some time about the end of 1937, but up till now unfortunately I have not heard what has been the decision, and how this thing has been partitioned between the Central Services and the I. C. S., how many posts have been reserved for the Central Services in the Government of India Secretariat and how many have been reserved for the I. C. S. Another thing that the Press Note conveniently left vague was regarding the Provincial Services. The statement of the Government was:—

“There is not now, and will not be in the future, any statutory bar against the employment of officers of Provincial Services in posts not included in the cadre of the I. C. S., but the Government of India do not look upon these services as a regular source for the supply of officers for the Secretariat, since they are recruited without any regard to the requirements of the Government of India.”

I agree that they should not be the regular source of supply, but should they be barred? I have been able to make inquiries and I find that after this statement not a single provincial service man has been taken by the Government of India. Then, Sir, we were told that the post of Joint Secretary would be abolished. The actual wording of the Press Note was:—

“The Government of India contemplate the gradual disappearance of the existing posts of Joint Secretary.”

On looking up, I find that the number of Joint Secretaries today in the Government of India is the same as it was in 1935, although there has been a change from one Department to another; but the number of Joint Secretaries still remains what it was then.

THE HONOURABLE THE PRESIDENT: Will you please close your speech now?

THE HONOURABLE MR. HOSSAIN IMAM: Yes, Sir. I have not got much more to say.

Then, there was the proposal to replace Assistant Secretaries by Under Secretaries. Under Secretaries have been appointed—they are more than they were before—but the posts of Assistant Secretaries have not been materially reduced.

THE HONOURABLE MR. E. CONRAN-SMITH: Is all this relevant to the Resolution we are discussing, Sir?

THE HONOURABLE THE PRESIDENT: It is not.

THE HONOURABLE MR. HOSSAIN IMAM: I am referring to the posts which are filled by the I. C. S.

THE HONOURABLE MR. E. CONRAN-SMITH: The Honourable Member was referring to Assistant Secretaries just now.

THE HONOURABLE MR. HOSSAIN IMAM: I was saying that they were to be replaced by Under Secretaries. I am complaining that you have retained both as is usual with the Government of India whenever there is a reorganization. Reorganization means simply increasing the number of posts and nothing more.

THE HONOURABLE THE PRESIDENT: I cannot allow you to continue any more.

THE HONOURABLE MR. HOSSAIN IMAM: I will bring my remarks to a close.

May I say, Sir, in conclusion that the Government of India, although they are irresponsible to the Legislature and although 12 NOON. statutorily they are not bound to bring matters before the Indian Legislature, ought at least to give us an occasion to discuss their proposals when the proposals are so drastic as an increase of 135 per cent. in the posts: and in this connection, Sir, many services have been deprived of the legitimate prizes to which they are entitled. I refer particularly to the five Central Services—the Posts and Telegraphs, the Customs Service, the Income-tax Service, and the Indian Audit and Accounts Service. There is no reason why these service people who are recruited by the Federal Public Service Commission should not rise to the highest posts in the Government of India under the cadreship invaded by the I. C. S. I am particularly referring, Sir, to the Indian Audit and Accounts Service in which for six years there was a suspension by the Government of India of I. C. S. people. Government had accepted the proposal of ours in the Retrenchment Committee of 1931, that these Services should not be filled by I. C. S. officers. Now, after this Wheeler Committee Report they have gone back on that. I, Sir, in the beginning said that I would not have moved this Resolution if it had not a repercussion on the people entering the war. Government have theoretically stopped recruitment for those who are war personnel, but in effect when the war is ended you will find that you have been recruiting more men than you require, even at the half rate that you are doing, with the result that you will have nothing left to offer to this war personnel. It is for this reason, Sir, that I have moved this Resolution.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary): Sir, I had hoped, when I gave my very full reply this morning to the question put by the Honourable the Mover of this Resolution, that I should render it unnecessary for him to move his Resolution, in view particularly of the fact that I have already, I think, shown that many of his grievances are illusory. On the other hand I do not blame the Honourable Member for making use of the deep researches which he has obviously been making over a period of years into questions affecting the I. C. S. and the knowledge which he has acquired,—which is more than that of most people. That reminds me, Sir, that he has reproached the Government with not taking the Legislature into their confidence and making some announcement as regards the new calculations for

[Mr. E. Conran-Smith.]

the strength of the I. C. S. On that I should like to say that if other Honourable Members know as much about the calculations and the actuarial figures as my Honourable friend does, there cannot be much room for complaint. Well, Sir, I should like to make it clear at the outset that in so far as my Honourable friend still feels that he has a case for the Resolution which he has tabled, he has based it on his assertions that the Government of India made no real examination and no actuarial calculations. My Honourable friend ignored my interjection when I took the opportunity to point out that Government had made most careful calculations —

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: We cannot hear the Honourable Member.

THE HONOURABLE MR. E. CONRAN-SMITH: I said that my Honourable friend had ignored my interjection to the effect that Government had made the most careful calculations and examination in consultation with the Government Actuary. There is therefore no basis at all for his repeated charge that Government had made these changes without having adequate material.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable Member be pleased to place the actuarial figures on the table of the House?

THE HONOURABLE THE PRESIDENT: Order, order. Let the Honourable Member have his say.

THE HONOURABLE MR. E. CONRAN-SMITH: The Honourable Member deduced that Government had made no calculations from my answer this morning to a question which he put asking for a statement of the leave taken by officers of the I. C. S. in different years. My Honourable friend deduced from my answer,—which was to the effect that the labour entailed in collecting the information was not justified by the results to be obtained,—that we had got no information at all and had not used it. That is totally incorrect. We have a lot of information as regards leave taken, and our calculations took that information into account. We have not got the details of the leave for some of the specific years for which the Honourable Member asked, and he was therefore not justified in drawing the deduction he has drawn. Well, Sir, I said I hoped that in view of the long answer which I inflicted on this House the Honourable Member would not consider it necessary to press his Resolution, especially as he is apparently satisfied with the reduction made in all the percentages except that for leave in regard to which he still presses for a smaller leave reserve. On that particular point I can only repeat what I have said before, which is that Government very recently made a most careful examination of the leave reserve requirements and reached the conclusion in consultation with Provincial Governments that the figure 37.72 per cent. was necessary to meet the demands on the strength of the Service. It may possibly appear to the Honourable Member in a more favourable light if I put it in this way: 37.72 per cent. of the total number of superior posts in 1938 is 218. The actual strength of the I. C. S. on the 1st January, 1939, was 1,072 and the sanctioned strength is now 1,064. If the Honourable Member who is more of a mathematician than I am would do a rapid calculation on the basis of those figures I think he will find that the leave reserve is almost exactly a fifth of the total which is, I believe he will agree, a reasonable proportion. The object of the Resolution which recommends the appointment of a committee of officials and non-officials can, I take it, only be to reduce the strength of the

I. C. S. I think the Honourable Member has made his intention fairly apparent from the observations which he has uttered on the Resolution. I must confess to some surprise at the attitude he has taken in view of his speech to which I had the pleasure of listening earlier in this session when he made the following statement:—

“Sir, it would be better and more in keeping with the realities of the situation if you were to leave the Civil Service in the condition in which it now is pending the inquiry which has been promised by Government into the whole question”.

He then reiterated further on in his speech a similar sentiment when he said:—

“When I suggest, Sir, that you would be justified in stopping recruitment altogether, the advantage will be that you will maintain the *status quo*. You would not be mortgaging the future of India”.

The affection that the Honourable Member felt for the *status quo* a little while ago has now wholly vanished from his heart.

THE HONOURABLE MR. HOSSAIN IMAM: No, Sir. I want it to be maintained.

THE HONOURABLE MR. E. CONRAN-SMITH: He wants to make a change?

THE HONOURABLE MR. HOSSAIN IMAM: No change.

THE HONOURABLE MR. E. CONRAN-SMITH: I am afraid I do not follow the Honourable Member. If he does not want a change, I do not know why he is proposing to inflict this Committee on Government.

To sum up, Sir, my reasons for opposing this suggestion that a Committee should be set up to examine the strength of the I. C. S. and presumably make proposals for its reduction are briefly as follows. In the first place, the strength of the Service was fixed very recently after the fullest calculations had been made. Secondly, the sanctioned strength of the Service was fixed on the basis of the actual strength and therefore was the nearest possible approximation to actual requirements. The leave reserve and the training reserve,—the latter a reduced percentage,—are required for maintaining the full strength of the Service. For deputation to miscellaneous posts arising from particular emergencies, 10 per cent. of the superior posts is provided as a necessary safeguard. If the Honourable Member will add up the figures which I gave him this morning, he will find that for every 100 superior posts, 84 other posts are necessary to maintain the cadre.

The Honourable Member has been interesting himself in this question for a good many years and he has taken us back to 1926 in his calculations. In so far as he has attacked the number of posts under the Government of India and the alleged unjustifiable increase therein, I should like to make it clear that although in the Schedule to the Superior Civil Service Rules the figure for posts at the centre was fixed at 50, in actual fact, for many years, that figure has not reflected correctly the number of posts which have been actually required at the centre, and the number of posts as now fixed is a much juster and more proper approximation to the number of posts actually existing and actually required.

Finally, Sir, I would suggest that a time like this, when the strain on the Services is admittedly very heavy, is not a suitable time to suggest reductions in the strength of the Service.

[Mr. E. Conran-Smith.]

The Honourable Member's other line of attack was on the reservation of posts in the I. C. S. I could not altogether understand what his grounds were for objecting to reservation, except the general ground that the I. C. S. was not entitled to the privileges which it has received. He also, I think, wanted the I. C. S. to make room for members of other Services. That is not a point which I propose to argue this morning. If the Honourable Member feels like that, he is entitled to his own views. As regards the actual strength of the reserved posts, that was fixed very recently, again after very careful calculations, and Government do not see any necessity for re-examining it again so shortly after the number was fixed —

THE HONOURABLE MR. HOSSAIN IMAM : May I ask the Honourable Member to illustrate from his Press Note what is the number reserved for the Central Services ?

THE HONOURABLE MR. E. CONRAN-SMITH : I am talking about the I. C. S. reserved posts. I cannot, I am afraid, give the Honourable Member information about Central Services.

THE HONOURABLE MR. HOSSAIN IMAM : In the pool of officers there is a certain proportion of the Central Services as well as the I. C. S. and the Press Note stated that Government will fix the proportion for the I. C. S. and the residue —

THE HONOURABLE THE PRESIDENT : Are you replying at this stage ?

THE HONOURABLE MR. HOSSAIN IMAM : I am asking for information, Sir.

THE HONOURABLE THE PRESIDENT : This is not the time for it.

THE HONOURABLE MR. E. CONRAN-SMITH : I am afraid I have not got the information for which the Honourable Member asks.

I hope, Sir, in view of what I have said, and in view of the Honourable Member's own admission that a great deal of what he has been striving for for many years has since been secured and that the fruits of his labours have not been wasted, he will consider it unnecessary to press a Resolution of this nature, especially at this time and in these circumstances.

*THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, when I started speaking on this Resolution, I did not wish to embarrass the Honourable the Home Secretary by any charge which would show that even his accepted proposition is not being worked. From the reply which he gave to my question No. 123 it seems that there are three provinces in which the actual strength of the Service is higher than the theoretical strength fixed. I refer, Sir, to Madras, which has an excess of eight officers, Bengal which has an excess of ten officers, and the Central Provinces which has an excess of four officers over the sanctioned strength. There is another thing which is quite understandable, namely, that a certain number of unreserved posts are still being carried on the cadre of the I. C. S. I have not been able to get the facts and figures for all the provinces. But, naturally, I have collected the figure for my own province and the two neighbouring provinces. In my own province of Bihar

*Not corrected by the Honourable Member.

there are six unreserved posts, three for High Court Judges, one for the Registrar of the High Court and two Secretaries to the Governor, which though statutorily not fixed for the I. C. S., are most carried on the cadre of the I. C. S. and when you consider that your recruitment is at 184, it involves a great deal of wastage when posts which are not reserved for the I. C. S. are still carried on the cadre of the I. C. S. Similar is the case of Bengal and the United Provinces. They have got six and seven posts, respectively, and what I was surprised to find was that Bengal has nine posts of the Government which are unreserved. I was surprised because it is the latest list that I tackled, the list giving the figures up to the 1st January, 1941. Actually there are given in that nine unreserved posts for the Government of India.

THE HONOURABLE MR. E. CONRAN-SMITH : What is the connection ? Why should there not be unreserved posts in the Government of India filled by the I. C. S. ?

THE HONOURABLE MR. HOSSAIN IMAM : My objection is that you had a cadre of 52 officers in 1935. You increase it to 125 and still you needs must have an unreserved cadre, and that of so high an order as nine in the province of Bengal. Calculating all those unreserved posts of seven for the province and nine for the Government of India, making a total of 16, still Bengal has got an excess of 10 officers. The revenues of Bengal are being burdened by carrying your load, a load from which you will ultimately derive the benefit, especially in view of the fact that now the system is that an officer who comes to the Government of India is usually retained there and it is very rarely that he is reverted to his province. I know of instances of officers who have been here for 15 or 20 years without reversion. In such cases the period spent in the provinces in training and in inferior posts is a sheer waste. May I say, Sir, with due deference to the Honourable the Home Secretary that the fact that he had no figures for the specific years for which I asked, and considering the fact that the years were very varied—I asked for figures for the years 1925, 1935 and 1939—still he says the matter was examined. It must have been examined ; I do not deny that. But I do deny an examination involving actuarial calculations ; because if you had once held such an actuarial calculation all the figures would have been with you. Because you cannot consider an actuarial calculation for a service and make an announcement about it in 1940 without having before you the figures for 1935 and 1939. Actuarial calculations are not made on one or two years. They are usually spread over the full life of the service, which in this case is 33 years. In spite of the fact that the Secretary of State has come to a conclusion, as I stated in the beginning there are mistakes and there are very glaring loopholes, and I do submit that the question is not so finally and so well disposed of that it cannot be reopened. But at least I have this satisfaction, that the Government of India has one very good point, that although it may reject a proposal sometimes it does consider it at a later hour. As I said I have been hammering at this question of a reduction in the reserves, and in the end I have succeeded in a reduction of 18 per cent. and I am still hopeful of getting another 18 per cent., if not today at least in five years time. And it was with this view that I have moved, to ask the stony-hearted Government of India to open and to re-examine the case. My object will be served if the Government of India simply promise to re-examine the question on an actuarial basis. I do not want any action from them. I only want that the examination should be on an actuarial basis and not a theoretical basis. If the Honourable Member will place on the table the actuarial facts or will promise to have it examined, I will have no objection, Sir, to withdrawing my Resolution.

THE HONOURABLE MR. E. CONRAN-SMITH : Sir, I do not think I need pursue some of the points made in the Honourable Member's reply, because they are based on a misapprehension. He spoke about the excess in various provinces as regards posts under the Government of India. Apparently he overlooked the fact that it is an all-India figure. There may be an excess in one province and less in another. He has also I think confused superior posts at the centre with reserved posts. But these are points of detail into which I need not go. The Honourable Member has invited me to give an assurance that Government will re-examine the whole question on the basis of actuarial calculations. He still apparently does not accept my statement that Government did work on the basis of the fullest actuarial calculations. If he did, he would see that it is quite impossible for me to give an undertaking that Government would again initiate the same process of calculations within so recent a period as has elapsed since the Secretary of State fixed the strength of the Service. I will however consider his suggestion that certain information should be made available to him personally as regards the calculations on which the strength of the I. C. S. has been fixed. More than that I cannot say, but I hope that that will satisfy the Honourable Member, especially in view of the fact that he has again taken credit to himself for the substantial reduction already made in the various percentages on which the strength of the Service was fixed.

THE HONOURABLE THE PRESIDENT : Are you satisfied ?

THE HONOURABLE MR. HOSSAIN IMAM : I am satisfied and beg leave to withdraw.

The Resolution was, by leave of the Council, withdrawn.

DELHI MASAJID BILL.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, I beg to move :—

" This Council do recommend to the Legislative Assembly that the Bill to make better provision for the administration of Masajid and the Endowment of the Jama Masjid, Fatehpuri Masjid and Kalan Masjid of Delhi be referred to a Joint Committee of this Council and of the Legislative Assembly and that the Joint Committee do consist of 10 members "

THE HONOURABLE THE PRESIDENT : Have you consulted the Government Member about it ?

THE HONOURABLE MR. HOSSAIN IMAM : That has been my difficulty ; that is why—

THE HONOURABLE THE PRESIDENT : You know that the Assembly is always unwilling to have a Joint Committee.

THE HONOURABLE MR. HOSSAIN IMAM : On this Motion, Sir, the Assembly is perfectly willing to have a Joint Committee.

THE HONOURABLE THE PRESIDENT : Have you found that out from the Members ?

*Not corrected by the Honourable Member.

THE HONOURABLE MR. HOSSAIN IMAM : Yes, Sir.

THE HONOURABLE THE PRESIDENT : Then I have no objection.

THE HONOURABLE MR. HOSSAIN IMAM : May I say that the Assembly Members expressed a desire to increase the number of the Committee from 10 to 12. If you have no objection I should like to make that little change.

THE HONOURABLE THE PRESIDENT : I have no objection. Motion moved :—

" That this Council do recommend to the Legislative Assembly that the Bill to make better provision for the administration of Masajid and the Endowment of the Jama Masjid Fatehpuri Masjid and Kalan Masjid of Delhi be referred to a Joint Committee of this Council and of the Legislative Assembly and that the Joint Committee do consist of 12 members "

Question put and Motion adopted.

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 referred to a Select Committee consisting of the Honourable Rai Bahadur Lala Ram Saran Das, the Honourable Sir David Devadoss, the Honourable Mr. Hossain Imam, the Honourable Mr. D. N. Mitra, the Honourable Mr. S. A. Lal, the Honourable Mr. E. Conran-Smith, the Honourable Sir Rahimtoola Chinnoy and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five "

The Motion was adopted.

STATEMENT OF BUSINESS.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House) : Sir, it is our intention, with your approval and with the concurrence of the House, to take up on the 27th the discussion of what is comprehensively described as the Finance Bill.

The Council then adjourned till Eleven of the Clock on Thursday, the 27th March, 1941.

COUNCIL OF STATE

Thursday, 27th March, 1941

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

MEMBER SWORN :

The Honourable Mr. Evan Meredith Jenkins (Nominated Official).

QUESTIONS AND ANSWERS.

HINDUS AND MUSLIMS DISCHARGED AFTER SELECTION BY THE GINWALA COMMITTEE.

128. THE HONOURABLE MR. HOSSAIN IMAM : The Government state the number of Hindus and Muslims discharged after selection by the Ginwala Committee up to 28th February, 1941.

THE HONOURABLE MR. S. N. ROY : The numbers are :—

Hindus including Sikhs	27
Muslims	6

and include both those who withdrew voluntarily and were discharged.

THE HONOURABLE MR. HOSSAIN IMAM : May we know, Sir, the number of those who withdrew voluntarily and those who were discharged ?

THE HONOURABLE MR. S. N. ROY : I have not got those numbers with me separately, Sir. I shall have to ask for notice of the question.

THE HONOURABLE MR. HOSSAIN IMAM : Were these people discharged by the highest authority or by the local trainers ?

THE HONOURABLE MR. S. N. ROY : They were discharged as a result of inspection by officers of the Air Force, whose business it is to go round the Flying Clubs to ascertain how these people are getting on.

THE HONOURABLE MR. HOSSAIN IMAM : May we know, Sir, what was the reason for their discharge ?

THE HONOURABLE MR. S. N. ROY : I am sorry I am not aware of the reasons in each case.

STERLING LOANS.

129. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the latest information about the conversion of Sterling Loans both in India and England?

THE HONOURABLE MR. C. E. JONES: Presumably the Honourable Member is referring to the repatriation scheme published on the 8th February. The amount of India sterling stock surrendered in the United Kingdom by the 10th March was approximately £54½ million equivalent to Rs. 72½ crores. In India sterling securities to the value of about Rs. 11 crores have been surrendered in exchange for rupee counterparts and securities to the value of about Rs. 1½ crores against payment in rupees.

CARRIAGE OF AIR MAILS FROM DURBAN TO SYDNEY *via* KARACHI.

130. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state whether the Durban-Khartoum-Cairo Air Service carries mails for India? If so, from what date?

THE HONOURABLE MR. S. N. ROY: The Honourable Member is presumably referring to the through service from Durban to Sydney *via* Khartoum, Cairo, and Karachi. If so, the reply is yes, from the 19th June, 1940.

INCOME-TAX OFFICERS.

131. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the dates from which they have changed the system in the Income-tax Department of taking Assistant Income-tax Officers in place of Income-tax Inspectors? What is the method for appointing Assistant Income-tax Officer? Will the selection be made in each province or for the whole of India at the centre? Who will be the appointing authority?

THE HONOURABLE MR. C. E. JONES: No change in the existing system has yet been made but the desirability of replacing Examiners and Inspector-Accountants (but not Inspectors) by Assistant Income-tax Officers is under the consideration of the Government.

Appointments of Assistant Income-tax Officers are not made by a Central authority on an all-India basis but are made by Commissioners of Income-tax either by direct recruitment or by promotion.

THE HONOURABLE MR. HOSSAIN IMAM: May we know, Sir, if there is any communal proportion fixed for these appointments?

THE HONOURABLE MR. C. E. JONES: Speaking without my book, I think that communal considerations do not enter into recruitment by promotion, but that in respect of direct recruitment communal proportions are considered.

THE HONOURABLE MR. HOSSAIN IMAM: Is communal proportion considered as regards the question of Income-tax Officers?

THE HONOURABLE MR. C. E. JONES: I do not think that arises out of this question, Sir.

INCOME-TAX OFFICES.

132. THE HONOURABLE MR. HOSSAIN IMAM: Will Government lay on the table a statement showing Income-tax Offices in private hired buildings:—

- (a) the name of place;
- (b) the annual or monthly rental;
- (c) the date of commencement and termination of present leases; and
- (d) the possibility of transferring the offices to Government buildings?

THE HONOURABLE MR. C. E. JONES: The information is not readily available and, in the opinion of the Government, its collection would involve an expenditure of time and labour disproportionate to its value.

THE HONOURABLE MR. HOSSAIN IMAM: With reference to part (d) of this question, has the Government considered this possibility?

THE HONOURABLE MR. C. E. JONES: It may be presumed, Sir, that the possibility of transferring offices in rented buildings to Government buildings is continually under review by the Commissioners of Income-tax themselves.

THE HONOURABLE MR. HOSSAIN IMAM: Have the Government ever inquired if this matter is receiving their attention?

THE HONOURABLE MR. C. E. JONES: Occasion has not arisen for Government to inquire into this matter because we assume that officers are doing what is expected of them, Sir.

APPOINTMENTS MADE TO THE SUPERIOR RAILWAY SERVICES.

133. THE HONOURABLE MR. HOSSAIN IMAM: Will Government lay on the table the following information about superior gazetted staff appointed separately by direct recruitment and by promotion in the State-managed Railways for the last five years:—

- (a) total appointments to each category;
- (b) the numbers of Europeans, Anglo-Indians, Hindus, Muslims and other minorities; and
- (c) the requisition sent to the Federal Public Service Commission for the recruitment of Muslims each year?

THE HONOURABLE MR. L. WILSON: (a) and (b). I lay a statement on the table of the House giving the required information.

(c) The information is being collected and will be laid on the table of the House in due course.

Statement showing the number of appointments made to the Superior Railway Services by direct recruitment and promotion during the years 1935-36, 1936-37, 1937-38, 1938-39 and 1939-40.

Departments.	Total number recruited.	Europeans.	Hindus.	Muslims.	Anglo-Indians and Domiciled Europeans.	Sikhs.	Indian Christians.	Parsis.
DIRECT RECRUITMENT.								
Engineering	17	1	9	3	1	1	1	1
Accounts	11	..	7	2	1	1	..	..
Transportation (Traffic) and Commercial	30	6	15	6	..	2	1	..
Transportation (Power) and Mechanical Engineering	27	3	14	4	4	..	1	1
Others	6	..	4	..	..	1	..	..
Total	91	10	49	15	6	5	4	2
PROMOTION.								
Engineering	5	1	1	..	2	1	..	..
Accounts	4	..	2	1	..	..	1	..
Transportation (Traffic) and Commercial	7	3	1	..	3	..	..	..
Transportation (Power) and Mechanical Engineering	6	3	..	..	2	1	..	..
Others	3	..	3	..	..	..	..	..
Total	25	7	7	1	7	2	1	..

GAZETTED OFFICERS IN THE MEDICAL DEPARTMENT OF STATE-MANAGED RAILWAYS.

134. THE HONOURABLE MR. HOSSAIN IMAM: Will Government lay on the table a statement about each of the State-managed Railways Medical Department giving the following information:—

- the present strength and communal proportion in each branch like District Medical Officers, Assistant Surgeons and Sub-Assistant Surgeons;
- the number of vacancies in each branch during the last five years;
- the number of Muslims appointed to each branch; and
- the Muslim quota fixed by the Railway Board for each railway?

THE HONOURABLE MR. L. WILSON: (a) I lay a statement on the table giving the required information regarding gazetted officers. The information regarding non-gazetted staff is being collected and will be laid on the table in due course.

(b) and (c). I am securing information which will be laid on the table of the House in due course.

(d) The information is included in the statement.

Statement giving the number of gazetted officers in the Medical Department of State-managed Railways.

Railways.	Total.	Europeans.	Hindus.	Muslims.	Parsis.	Sikhs.	Indian Xians and Anglo-Indians.
E. B.	7	1	4	..	..	1	1
E. I.	12	2	7	1	..	1	1
G. I. P.	13	2	4	..	2	..	5
N. W.	12	1	5	2	..	1	3

Statement showing the percentages fixed for the recruitment of Muslims on the State-managed Railways in the subordinate cadres as a whole.

	Per cent.
E. B.	45
E. I.	19
G. I. P.	10
N. W.	60

The reservation for Muslims in superior appointments is 25 per cent.

NAMES OF MUSLIM NEWSPAPERS IN WHICH APPOINTMENTS FOR STATE-MANAGED RAILWAYS ARE ADVERTIZED.

135. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state (a) the names of Muslim papers in which posts are usually advertised by each State-managed Railway; (b) whether it is a fact that most of the Railways do not send any advertisement to Muslim Press; and (c) the names of non-Muslim papers to which advertisements are usually sent by each State-managed Railway?

THE HONOURABLE MR. L. WILSON: (a) and (c). I have called for information and a reply will be laid on the table of the House in due course.

(b) No.

CONTRACTS FOR THE SUPPLY OF COAL TO STATE-MANAGED RAILWAYS.

136. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state whether it is a fact that no Muslim is nor was recently given contract in the State and Railway collieries and lay on the table a statement showing the names and rates of contractors and the date when contracts terminate?

THE HONOURABLE MR. L. WILSON: The information is being obtained and will be laid on the table of the House in due course.

THE HONOURABLE MR. HOSSAIN IMAM: May I ask whether the information—

THE HONOURABLE THE PRESIDENT : He has not given any reply to your question.

THE HONOURABLE MR. HOSSAIN IMAM : I am making a submission, Sir, that as the session will be concluded, would he consider sending me the information before it is laid on the table of the House ?

THE HONOURABLE THE PRESIDENT : That is not a question.

NUMBER OF HINDUS, MUSLIMS AND ANGLO-INDIANS APPOINTED ON STATE-MANAGED RAILWAYS.

137. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state the number of permanent appointments of Hindus, Muslims and Anglo-Indians made on each State-managed Railway during the last five years to the senior subordinate grades ? Is it a fact that in the B. N., B. & N. W., M. & S. M. and E. B. Railways the number of Muslims in these grades has fallen from 51 to 44 out of 1,650 posts ? Will Government state the reason for this reduction ?

THE HONOURABLE MR. L. WILSON : As regards the first part, Government do not get information in respect of such appointments which are almost invariably filled by promotion and I regret it is impracticable to undertake the collection of the information. The answer to the second part is in the affirmative ; as regards the third part, as these posts are filled by promotion, fluctuations are inevitable.

THE HONOURABLE MR. HOSSAIN IMAM : May we ask if the Government have examined if the position has ever improved during the last 10 years ?

THE HONOURABLE THE PRESIDENT : What is your question ?

THE HONOURABLE MR. HOSSAIN IMAM : The last part of my question was, "Will Government state the reason for this reduction ?" I want them to find out what the reasons are. The result is as it was on paper—a reduction in the proportion of Muslims.

THE HONOURABLE MR. L. WILSON : The reason is included in the last part of my answer.

NUMBER OF HINDUS, MUSLIMS, ANGLO-INDIANS, ETC., APPOINTED TO THE LOWER GAZETTED SERVICES OF STATE-MANAGED RAILWAYS.

138. THE HONOURABLE MR. HOSSAIN IMAM : Will Government give the total number of appointments to the lower gazetted staff made during the last five years giving figures of Hindus, Muslims, Anglo-Indians and others separately ?

THE HONOURABLE MR. L. WILSON : Out of a total number of 161 appointments made to the lower gazetted services during the five years ending 1939-40, 54 were Europeans, 51 Hindus, 7 Muslims, 40 Anglo-Indians and Domiciled Europeans, 2 Sikhs, 5 Indian Christians, 1 Parsi and 1 of other communities.

THE HONOURABLE MR. P. N. SAPRU : What is the reason for the large number of Anglo-Indians and Europeans ?

THE HONOURABLE MR. L. WILSON : The lower gazetted service is filled by promotion from the subordinate ranks and the communities which have the majority of the posts in the subordinate ranks from which the promotions are made naturally are promoted in larger numbers than other communities.

THE HONOURABLE MR. HOSSAIN IMAM : Have the Government considered the possibility of having direct recruitment ?

THE HONOURABLE MR. L. WILSON : It does not arise out of this question, Sir.

INDIAN CIVIL SERVICE EXAMINATION.

139. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state :—

(a) The total number of candidates who applied for admission and the number of those who actually appeared at the I. C. S. examination held in India during the years 1936—1941 ?

(b) How many candidates who applied for admission possessed M.A. and M.Sc. degrees and of what class or division ?

(c) Excluding M.A. and M.Sc. mentioned in (b) how many possessed only an Honours degree and of what class ?

(d) Out of the rest how many possessed only a Pass degree with the class or division in which they were placed ?

(e) How many candidates possessed a Pass degree without any class or whose class could not be determined or was in doubt and any diploma-holders whose diplomas did not show any class ?

(f) How many candidates were actually successful during these years from each of the categories (b), (c), (d) and (e) separately ?

(g) What is the minimum educational qualification required of candidates for the I.C.S. in England at present ?

(h) What is the total number of candidates that the Federal Public Service Commission can examine satisfactorily in the written and *viva voce* examination ?

(i) Whether the candidates who do not attain the required standard in the written examination in 1942 will be called for interview ? If not, why ?

(j) What are the expenses likely to be incurred by the new method of interview in provinces and who will pay for them ? and

(k) Whether the new method of selection will be economical from the point of view of Government ? If not, why extra expenses are allowed ?

(If Government are unable to give figures for six years, will they give the details for the last two years ?)

THE HONOURABLE MR. E. CONRAN-SMITH : (a) I lay a statement on the table which contains the desired information.

(b) to (e). The information asked for is not readily available even for two years and its collection would involve an expenditure of time and labour which would not in the opinion of Government be justified by the results to be obtained.

(f) I lay a statement on the table giving the information for the last two years.

(g) Indian candidates must have qualified by examination for a good Honours degree in a Final Honours School of an approved University in the British Isles, or have passed an examination which in the opinion of the Secretary of State is of equivalent standard, at an approved University, or approved Institution of University rank (other than a University) in the British Isles, after residence as full time members for at least two academic years at such University or Institution, or at one of the approved University Colleges.

(h) 300 in the written test and 200 in the *viva voce* examination.

(i) The question is at present under consideration.

(j) and (k). As this will be the first year of the new system, Government are not in a position to say whether it will be economical from the point of view of Government. In introducing this system Government have been guided by the idea of achieving a better conduct of the examination and not by any idea of economy. The Central Government will pay for the expenses of the interview boards in the provinces, and a provision of Rs. 6,500 has been made in the budget of the Federal Public Service Commission for this purpose. This extra expense will, however, be offset to some extent by the reduction of expenses for the examination at Delhi.

THE HONOURABLE MR. P. N. SAPRU : Is there any qualification prescribed ?

THE HONOURABLE THE PRESIDENT : With reference to what clause of the question are you asking ?

THE HONOURABLE MR. P. N. SAPRU : Clause (g). What is the minimum educational qualification required of candidates for the I.C.S. in England at present ? Is there any qualification laid down for British candidates desirous of appearing at the I. C. S. examination in England ?

THE HONOURABLE MR. E. CONRAN-SMITH : There is no qualification laid down for candidates for the open examination. There is, of course, a qualification laid down for those appearing for selection.

THE HONOURABLE MR. P. N. SAPRU : What is the qualification laid down for selection ?

THE HONOURABLE MR. E. CONRAN-SMITH : A good Honours degree at an approved University.

THE HONOURABLE MR. HOSSAIN IMAM : May we know, Sir, if it is a fact that candidates who have secured a third division or pass in the Graduate's examination have never succeeded so far in this examination ?

THE HONOURABLE THE PRESIDENT : You are asking for opinion.

THE HONOURABLE MR. HOSSAIN IMAM : I am asking for information, Sir. This was implied in part (f) of the question to which he has not replied.

THE HONOURABLE THE PRESIDENT : Will you modify your question ?

THE HONOURABLE MR. HOSSAIN IMAM : I am asking if it is a fact that no student with a pure Pass degree has ever succeeded in this examination.

THE HONOURABLE THE PRESIDENT : That is an argument. I cannot allow that.

THE HONOURABLE MR. HOSSAIN IMAM : It is not an argument, Sir.

THE HONOURABLE MR. E. CONRAN-SMITH : May I say, Sir, that the answer is that candidates with a Pass degree have succeeded.

THE HONOURABLE MR. HOSSAIN IMAM : With a third division ?

THE HONOURABLE MR. E. CONRAN-SMITH : With a second division Pass degree.

THE HONOURABLE MR. P. N. SAPRU : I know of one case in which a third division candidate succeeded. He got the first class in the Indian Police. A third division does not necessarily also connote lack of intellectual efficiency.

Statement showing the number of candidates who applied and actually sat for the I.C.S. examination in India from 1936 to 1941.

Year.	No. of applicants.	No. who appeared.
1936	326	184
1937	479	264
1938	560	392
1939	558	369
1940	637	467
1941	613	428

Statement showing the number of successful candidates for the Indian Civil Service Examination in India in 1939 who possessed (a) M. A. or M. Sc., (b) B. A. or B. Sc. (Hon.), and (c) B. A. (Pass) degrees and the class or division in which placed.

and (e) B. A. (Pass) degrees and the											
Year.	Total.	(b) M. A. or M.Sc.			(c) B. A. or B. Sc. (Hons.)			(d) B. A. (Pass).			(e) Others.
	Class or divi- sion.	I	II	III	I	II	III	I	II	III	..
1939	9	4	3	..	1	..	..	..	1	..	..
1940	11	3	3	..	3	*1	..	..	1	..	..
2 years	20	7	6	..	4	1	..	..	2	..	..

* Nominated in London against a Delhi vacancy for the scheduled castes, which could not be filled up here.

INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE.

THE HONOURABLE MR. A. DEC. WILLIAMS (Nominated Official): Sir, I lay on the table the information promised in reply to question No. 29 asked by the Honourable Mr. Hossain Imam on the 26th February, 1941.

SUPPLY DEPARTMENT.

Statement in respect of officers directly recruited in the Supply Department, Contracts Directorate and Indian Stores Department from private life since its formation up to 1941.

Serial No.	Name.	Date of appointment.	Nationality.	Province of origin.	Actual pay before appointment in the Supply Department.	Pay on 1st February, 1941.	Special qualifications for the post to which appointed.	Method of recruitment.
1	2	3	4	5	6	7	8	9
<i>Director General, Supply.</i>								
1	Mr. D. M. Pasmore	11-10-39	European	...	Previous emoluments not less than present pay.	2,250	Was Managing Director of Messrs. Direct. Binny & Co., Madras.	Direct.
2	Mr. A. E. Hampson	24-6-40	European	...	Previous emoluments considerably more than present pay.	1,500	Was Sales Manager of Messrs. Jenson and Nicholson (India) Ltd., Calcutta.	Do.
3	Major E. C. Ormond	24-6-40	European	...	Income considerably in excess of his present pay.	1,530	Was practising Barrister-at-Law	Do.
4	Mr. S. K. Chaudhuri	24-4-40	Indian	Bengal	Average monthly income about Rs. 1,000.	800	Had about 17 years administrative as well as business experience. Was General Manager of Messrs. W. H. Deeth & Co.	Do.
5	Mr. L. Khlibb	12-6-40	European	...	Total earnings approximately the same as pay now drawn.	900	Knowledge in Textiles. Was employed with Messrs. W. H. Brady & Co., Ltd., Bombay.	Do.
6	Mr. S. S. Venkateshkrishnan.	1-1-40	Indian	Madras	Direct from civil life. Was paying no income-tax.	250	B. Sc., (Engineering)—Benares University. Served as an apprentice with the M. & S. M. Railway and the Bombay Electric Supply and Transport Co., Ltd.	Do.
7	Mr. N. K. Thadani	24-6-40	Indian	Sind	Direct from civil life. Was paying no income-tax.	250	B. Sc., (Bombay) B. Sc. Tech. (Manchester).	By advertisement.
8	Mr. W. J. Oakley	3-10-40	European	...	Average earning not less than Rs. 1,250 (including perquisites e.g. commission etc.).	1,500	Had about 15 years connection with the woolen trade and experience of handling labour of the Cottage industry type. Was Director of Messrs. Obectee Ltd., Mirzapur.	Direct.
9	Mr. K. K. Nasta	11-2-41	Indian	...	Direct from civil life. Was paying no income-tax.	500	B. Sc., (London) in Mechanical Engineering and Motive Cars. Associate of City and Guilds Institute (London). G. M. I. M. E. (London).	By advertisement.

Director General, Munitions Production.

1	Mr. A. R. Elliot-Lockhart.	14-1-41	European	...	Mr. Lockhart was a partner in Messrs. Gladstone Wylie and Messrs. Lyall Marshall & Co., and his income was considerably more than the pay he is receiving as D. C. F. (Commercial).	2,250	General business knowledge. As a partner in the two firms stated, was responsible for running, among other things, a shipping company, two sugar mills and three distilleries. He was also responsible for dealing with roofing materials, paints, timbers, canvas, etc. both on the practical as well as the financial side.	As a Direct.
2	Mr. J. Robertson	5-2-41	European	...	Rs. 900 plus his holdings in firm of Lawrence and Mayo (1) Ltd. since disposed of.	1,000 (from 5th February, 1941).	Possesses a specialist knowledge of scientific and optical instruments. Previously employed with Lawrence and Mayo.	Do.
3	Mr. T. D. Welby	3-7-40	European	...	Rs. 1,361-4-0	850 + Rs. 100 duty Allowance + Rs. 50 local Allowance + £ 30 S. O. P.	Has 17 years experience in establishing mass production methods and of works management in Bengal 1923-1940. Possesses a knowledge of the manufacturing capacity of Calcutta and surrounding Districts. Associate Member and Corresponding Member, Institute of Automobile Engineers. Member Institute of Metals.	Do.
4	Mr. J. M. Smith	30-9-40	European	...	£. 500 per annum paid in London plus £500 per annum paid in Turkish Lira plus house and other allowances.	1,000	Messrs. Vickers Ltd., (1912-1920) Employed as a production Engineer and gained experience on production of small arms, shells, depth charges and mines, aeroplanes and engines. Tada Iron and Steel Co., Ltd., Tananagar (1921-1932). Assistant to Chief Engineer on construction and maintenance of new steel works and rolling mills at Tananagar. English Steel Corporation, (Vickers Ltd.), (1932-1936) specialist in use of High Speed Steels and Small Tools for machine shop equipment. H. A. Frassett & Co., Ltd., Consulting Engineers, London, (1936-1939) Planning and arranging manufacturing programmes for New Steel Works in Turkey (59,000 tons equipment involved) also layout (design) of Shell Shop for Turkish Government.	Do.

* J. Received his engineering training with Austin Motor Co., where he was employed on production of munitions, aeroplanes, motors, tractors and lighting sets. Has special experience with tools, jigs, dies, etc.

SUPPLY DEPARTMENT—contd.

Serial No.	Name.	Date of appointment.	Nationality.	Province of origin.	Actual pay before appointment in the Supply Department.	Pay on 1st February 1941.	Special qualifications for the post to which appointed.	Method of recruitment.
1	2	3	4	5	6	7	8	9
<i>Director General, Munitions Production—contd.</i>								
6	Mr. A. Paxton	13-1-41	European	...	Rs. 1,245 per mensem including house rent and other emoluments. In addition 1 Class passage and rail fares in India for self and wife.	1,500	Engineer and Ship-Draftsman with 14 years experience in this line in India. Was with Messrs. Garden Reach Workshops, Ltd., the largest workshops of its kind in Calcutta.	Direct.
6	Mr. S. W. White	2-11-40	European	...	Rs. 1,875 per mensem excluding usual allowances.	1,000	Retired Bridge Engineer with 28 years experience on State Railways.	Do.
7	Mr. J. Oswald	12-8-40	European	...	Rs. 1,700 per mensem	1,000	Retired Structural Engineer with 25 years experience in structural work with Bengal Iron Co., and Balmer Lawrie Co., Ltd.	Do.
8	Mr. C. W. Budd	1-2-41	European	...	Rs. 1,800 approximately. (Salary and Commission). In addition motor car free of all expenses. 1 Class return passage to England.	2,000	Expert knowledge and wide experience of Machine Tools and Small Tools and their application to all branches of the Engineering Industry.	Do.
9	Mr. J. A. Hodgkinson	1-2-41	European	...	Rs. 1,100. In addition salary Bonus (Tax free) according to amount of business. Motor car and driver for office and personal use free of all expenses. 2 First Class return passages for self and wife to England, including expenses. Free Insurance (Accident and Health).	1,500	Expert knowledge and wide experience of Machine Tools and Small Tools and their application to all branches of the Engineering Industry.	Do.
10	Mr. H. M. Mathews	14-1-41	European	...	£ 1,800 per annum	3,000 + £ 13-6-8 S.O. P.	Development Engineer. Merz and McLellan. 14 years experience on planning power projects in Canada, South Africa, West Africa, India and U. K. Spent some time in all above countries. Particularly	Do.
11	Captain J. F. Bagnall	21-12-40	European	...	Outside Calcutta Rs. 1,200 per mensem + free house and other perquisites. Last Calcutta pay over Rs. 2,000 per month (Consulting Engineer).	1,045 (provisional) terms of appointment under consideration.	concerned with electric power station projects. Later Technical Adviser to Ministry of Supply Mission to India. Chartered Electrical Engineer. Associate Member, Institution of Electrical Engineers (London). Associate Member, Engineering Institute of Canada.	Direct.
12	Mr. J. R. Walton	18-7-40	European	...	Not stated—Employed part time.	500 (Honorarium).	Chartered Civil Engineer. Special experience in Factory Construction and in various structural and civil engineering works in steel, concrete and brickware, including site selection, designs, survey and setting out general organization and administration. Special experience in Water supply and drainage. Also experienced in power plant layouts, electrical plant and distribution, and in various specialised lines. A. M. Inst. C. E., A. M. I. Mech. E., A. M. I. E. E., A. M. I. Struct. E.	Do.
<i>Contracts Directorate.</i>								
1	Capt. H. B. Gill, I.A.O.C.	4-1-40	European	...	Was in agency business. Income from that source is not known. Was drawing Rs. 1,800 per mensem from Standard Telephone and Cables Ltd. with whom he was employed until May 1938.	1,080	Business experience particularly in respect of telephone stores.	Not advertised. Direct recruitment made.
2	Capt. E. V. Hammond, I.A.O.C.	8-2-40	European	...	1,000 per mensem + allowances	1,080	Was manager of a Tea Estate.	
3	Capt. G. N. P. Hodder, I.A.O.C.	1-3-40	European	...	1,280 including allowances	960	Was grower, manufacturer of and dealer in foodstuffs.	
4	Capt. P. C. Tutton, I.A.O.C.	15-4-40	European	...	1,566 per mensem	1,080	Was manager in India of Quaker Oats Co. of America.	

SUPPLY DEPARTMENT—contd.

Serial No.	Name.	Date of appointment.	Nationality.	Province of origin.	Actual pay before appointment in the Supply Department.	Pay on 1st February, 1941.	Special qualifications for the post to which appointed.	Method of recruitment.
1	2	3	4	5	6	7	8	9
<i>Contracts Directorate—contd.</i>								
5	Capt. R. B. Otter, I.A.O.C.	20-7-40	European	...	Rs. 600 per mensem plus free car and provisions at cost price.	1,090	Was Manager of Paint Department, Messrs. Spencer & Co. Ltd., Bombay.	through the Defence Department under the regulations applicable to the recruitment of Emergency Commissioned Officers.
6	Capt. E. W. Hart, I.A.O.C.	5-8-40	European	...	Rs. 1,500 per mensem including allowances.	1,090	Was general manager, Swadeshi Cotton and Flour Mills, Indore; Standard Flour Mills, Ganj Baroda, Gwalior State; Indore Oil Mills, Indore.	
7	2nd Lieut. C. V. Thomas, I.A.O.C.	20-7-40	European	...	900 per mensem	630	Was Printer and Publisher.	
8	2nd Lieut. D. V. David, I.A.O.C.	5-12-40	Indian (Jew).	...	Rs. 10,000 per annum	405	Business experience.	
9	2nd Lieut. J. R. Murray, I.A.O.C.	13-12-40	British European.	...	£ 750 per annum plus free quarters.	630	Was Secretary, Phoenix Oil and Transport Co., Rumania.	Not advertised. Direct recruitment made through the Defence Department under the regulations applicable to the recruitment of Emergency Commissioned Officers.
10	2nd Lieut. P. S. Colvin, I.A.O.C.	20-1-41	Do.	...	Income is not known. Source of income was commission on sale.	630	Was paints salesman with Messrs. P. C. Chanda & Co., Calcutta.	
11	2nd Lieut. D. King	31-1-41	Do.	...	Was in private business, income is not known.	630	Business experience	
<i>Indian Stores Department.</i>								
1	Mr. Z. A. Khan	1-5-40	Indian Muslim.	Punjab	Rs. 1,250 including commission	550	Practical training in Germany	Through F. P. S. C.
2	Mr. K. B. Rao	15-5-40	Indian Hindu.	Madras	Rs. 350 + Commission	350	B. Sc. (Eng.) (Hons.) (Lond.), A. M. I. E. E., G. I. M. E.	Do.
3	Mr. G. B. Jambhurewala	2-9-40	Indian Parsi.	Bombay	Rs. 375	450	B. Sc. (Bom.), M. Sc. (Tech.) (Manch.).	Do.
4	Mr. M. M. Farookhi	1-5-40	Indian Muslim.	Madras	Not known. (Pay on 1st July 1939 was Rs. 450).	350	B. E., B. Sc. (Eng.), A. R. T. C., Dipl. B. T. C., A. M. I., Mech. E. I. E. (Ind.).	From among the F. P. S. C. unsuccessful candidates.
5	Mr. P. S. Gupta	1-8-40	Indian Hindu.	U. P.	Rs. 400 exclusive of allowances	350	B. Sc. (Agra), B. Sc. (Hons.) (Eng.) (Edin.), M. R. San. I. (Lond.), A. M. I. E. (Ind.).	From F. P. S. C. list.
6	Mr. G. C. Nagrah	2-9-40	Indian Hindu.	Punjab	Not known. (Pay in September 1939 was Rs. 500).	350	B. Sc. (Punjab), B. Sc. E. E. (Illinois), A. M. A. I. E. E.	Do.
7	Mr. S. T. Thadani	2-9-40	Indian Hindu.	Sind	Rs. 375	350	B. Sc. (Bombay), B. Sc. (Tech.) (Manch.), G. I. E. E. (Lond.).	Do.
8	Mr. K. T. Pillai	9-9-40	Indian Hindu.	Madras	Rs. 650 + allowances	750	B. A. (Madras), A. M. I. E. E. (Lond.)	By advertisement.
9	Mr. M. R. Kazim	21-11-40	Indian Muslim.	Bihar	Rs. 500	600	Two years course in the Dundee Technical Institute, followed by four years as factory and finishing overseer in a large jute mill near Calcutta.	Do.
10	Mr. D. N. Kowshik	14-12-40	Indian Hindu.	Bombay	Rs. 275	350	B. Sc. (Bom.), B. Sc. (Tech.) (Manch.).	Do.
11	Mr. Sukomal Dutt	13-12-40	Indian Hindu.	Bengal	Not known partner in the firm. Pay in August 1939 was Rs. 275.	350	B. Sc. (Benares). Carried out post-graduate research work in Brunswick Technical High School in Germany for about two years.	Do.
12	Mr. B. C. Rai Choudhuri.	17-1-41	Indian Hindu.	Bengal	Rs. 250	350	B. Sc. (Eng.) (Benares). Worked in various engineering firms of repute.	Do.
13	Mr. S. D. Bhatia	1-2-41	Indian Hindu.	Sind	Rs. 600 (Approx.)	600	B. Sc. (Tech.) (Manch.), A. M. C. T. Grad. I. E. E. (Lond.).	Do.
14	Mr. L. G. Makhijani	6-12-40	Indian Hindu.	Sind	Rs. 200 + furnished quarter + 1 month's salary as yearly bonus.	350	B. Sc. (Bom.), B. Sc. (Tech.), A. M. C. T. (Manch.), M. I. C. E. (Ind.), A. M. M. E. A. (Ind.).	Do.
15	Mr. J. B. Chagtal	1-2-41	Indian Muslim.	U. P.	Rs. 325 + Rs. 75 car allowance	350	B. Sc. (Aligarh), B. Sc. (Tech.) (Manch.).	Do.
16	Mr. K. K. Mitra	1-5-40	Indian Hindu.	Bengal	Rs. 425 + Car allowance and Provident Fund.	450	B. Sc. (Hons.) (Cal.), B. Sc. (Hons.) (Civil) (London).	Do.
17	Syed Nizamuddin	17-6-40	Indian Muslim.	U. P.	Rs. 150 + furnished residential and other such amenities.	350	B. Sc. (Luck.), B. Sc. (Tech.) (Manch.).	Do.
18	Mr. C. P. Hakkati	18-6-40	Indian Hindu.	Bombay	Rs. 250	350	L. T. M. (Bombay), B. Sc. (Tech.) (Manch.), A. M. C. T. (Manch.).	Do.

SUPPLY DEPARTMENT—contd.

Serial No.	Name.	Date of appointment.	Nationality.	Province of origin.	Actual pay before appointment in the Supply Department.	Pay on 1st February 1941.	Special qualifications for the post to which appointed.	Method of recruitment.
1	2	3	4	5	6	7	8	9
<i>Indian Stores Department—contd.</i>								
19	Mr. A. H. Siddiqui.	24-6-40	Indian Muslim.	C. P. and Berar.	Not known. (Pay in September 1939 was Rs. 400).	350	B. Sc. (Alid.). Over 16 years practical experience in various Textile Mills.	By advertisement.
20	Mr. S. N. Das Gupta	24-6-40	Indian Hindu.	Bengal	Ra. 450	350	B. Sc. (Cal.), A. M. C. T. (Manch.), M. Sc. (Tech.) (Manch.), A. T. I. (Manch.).	Do.
21	Mr. P. V. Tiadani	5-8-40	Indian Hindu.	Sind	Not known. (Pay in August 1939 was Rs. 350 + commulsion).	350	B. Sc. (Bom.), B. Sc. (Tech.) (Manch.), A. M. C. T. (Manch.).	Do.
22	Mr. R. N. Bankapur	6-9-40	Indian Hindu.	Bombay	Not known. (Pay in September 1939 was Rs. 400).	350	L. T. M. (Hons.) (Bombay), B. Sc. (Tech.) (Manch.).	Do.
23	Mr. A. N. Ghose	9-9-40	Indian Hindu.	Bengal	Ra. 300	350	L. T. M. (Hons.) (Bom.), Practical training in Germany.	Do.
24	Mr. S. K. Gupta	13-9-40 A. N. Hindu.	Indian Hindu.	Bengal	Not known. (Pay in December 1939 was Rs. 300 + allowances).	350	Practical training in Germany and Czechoslovakia.	Do.
25	Mr. U. M. Dharamsey	11-11-40	Indian Muslim.	Bombay	Not known. (Pay in January 1940 was Rs. 310).	350	Experience in Textiles in various mills.	Do.
26	Mr. Robert Webber	3-12-40	Indian Christian.	C. P.	Not known. (Pay in 1939 was Ra. 400).	350	Overseer's course, Bengal Apprentice in E. I. R. Workshops, Jamalpur.	Do.
27	Dr. C. N. K. Murthy	2-1-41	Indian Hindu.	Mysore State.	Ra. 200	350	B. Sc. (Hons.) (Mysore), B. Sc. (Tech.) (Leeds), Ph. D. (Leeds).	Do.
28	Mr. P. K. Bose	1-2-41	Indian Hindu.	Bengal	Ra. 325	350	B. Sc. (Calcutta), B. E. (Cal.). Over 6 years experience of Structural work.	Do.
29	Mr. A. K. Ghosh	1-2-41	Indian Hindu.	Bengal	Ra. 200	350	B. Sc. (Dacca), B. Sc. (Eng.) (Lond.), A. M. I. E. (India).	Do.

COUNCIL OF STATE

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INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE

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30	Mr. J. M. Marathe	13-2-41 A. N. Hindu.	Indian Hindu.	Bombay	Ra. 250	350	B. Sc. (Bombay), B. Sc. (Met.) (Benares). About four years experience in Foundry work.	Direct. Not advertised.
<i>Mica Organisation.</i>								
1	Mr. John Podger	13-1-40	European	...	Not known	1,500	Expert knowledge of Mica	Do.
2	Mr. W. J. U. Turnbull	16-5-40	European	...	Not known	500 (Part-time pay).	Expert knowledge of Mica	Do.
<i>Controllers.</i>								
1	Mr. E. M. Souter, C.I.E.	19-6-40	European	...	Ra. 2,500	2,500	Business experience	Selected without advertisement.
2	Mr. M. A. Greenwalsan.	24-6-40	Indian	Madras (Mysore State).	Ra. 1,300	1,600	Administrative experience as a civil servant of the Mysore State.	Do.
3	Mr. G. E. Bennett	10-6-40	European	...	Ra. 3,000	1,950	Administrative experience as C. E. Bombay Port Trust.	Do.
4	Mr. P. A. Davies	19-6-40	European	...	Ra. 1,350	750	Long experience of business and office routine.	Do.
5	Mr. E. C. Forbes, D.S.O.	7-1-40	European	...	Income not less than his present salary under Government.	2,000	Administrative and technical experience in the woollen industry.	Do.
6	Mr. J. A. Stuart-Williams.	1-2-40	European	...	Ra. 1,000 per mensem	1,200	Experience in Engineering supplies matters and in office routine procedure.	Do.

THE HONOURABLE MR. C. E. JONES : Sir, I lay on the table the information promised in reply to question No. 54 asked by the Honourable Mr. N. K. Das on the 5th March, 1941.

RECEIPTS FROM INCOME-TAX FROM ANGUL (ORISSA) IN 1940-41.

About Rs. 700.

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 Monday, the 24th March, 1941, namely :—

A Bill to extend the date up to which certain duties characterized as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect.

A Bill further to amend the Indian Tariff Act, 1934.

STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Education, Health and Lands Member) : Sir, I move :—

"That this Council do proceed to elect, in such manner as the Honourable the President may direct, four non-official Members to serve on the Standing Committee on Emigration."

The Motion was adopted.

STANDING COMMITTEE FOR THE LABOUR DEPARTMENT.

THE HONOURABLE MR. H. C. PRIOR (Labour Secretary) : Sir, I move :—

"That this Council do proceed to elect, in such manner as the Honourable the President may direct, two non-official Members to serve on the Standing Committee to advise on subjects with which the Labour Department is concerned."

The Motion was adopted.

STANDING COMMITTEE FOR THE DEPARTMENT OF COMMERCE,

THE HONOURABLE SIR ALAN LLOYD (Commerce Secretary) : Sir, I move :—

"That this Council do proceed to elect, in such manner as the Honourable the President may direct, two non-official Members to serve on the Standing Committee to advise on subjects in the Department of Commerce."

The Motion was adopted.

STANDING COMMITTEE FOR THE DEPARTMENT OF SUPPLY

THE HONOURABLE MR. A. DEC. WILLIAMS (Nominated Official) : Sir, I move :—

"That this Council do proceed to elect, in such manner as may be approved by the Honourable the President, two Members to serve for the financial year 1941-42 on the Standing Committee attached to the Department of Supply."

I would like to say, Sir, that although owing to the course of events in another place it will be impossible until the next session of the Legislature to constitute this Committee in the manner originally contemplated Government will be glad of the assistance of the two Members of the Committee which I hope this Council will now elect.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : If the Committee is going to be reconstituted only in October or November next then what is the good of bringing forward this Motion ? May it not be postponed till then ?

THE HONOURABLE MR. A. DEC. WILLIAMS : If Honourable Members of this Council do not wish to assist Government on this Committee then they can reject the Motion. I said the Government would be grateful for their help.

THE HONOURABLE THE PRESIDENT : Mr. Kunzru says it will be considered later whether the fresh Committee should be appointed or not.

THE HONOURABLE MR. A. DEC. WILLIAMS : Sir, it is not open to Government during the present session in the other place to bring forward the same Motion again, but it would be open to Government at a later session.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I meant that when both Houses of the Legislature meet again the Honourable Member can bring forward this Motion. What is the advantage of asking us to consider it now ? It is not that we do not want to assist Government. The Government do not need assistance at the present stage.

THE HONOURABLE MR. H. R. PARKER (Bombay Chamber of Commerce) : Government are asking for assistance of the two Members of this Council. Because the other House is not assisting there is no reason why this House should not.

THE HONOURABLE THE PRESIDENT : I cannot compel the Honourable Member to postpone the matter, but it lies in your power to oppose the Motion when I put it. I understand you do not want to move your amendment ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I do not want to propose it at this stage at all.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I have not been able to understand the position. What is the exact position ?

THE HONOURABLE THE PRESIDENT : Mr. Williams has explained that it will be of assistance to Government if these Members are elected now to render advice. But if you do not wish to render advice it is your lookout.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : May I ask the Honourable the Leader of the House to clear up the position.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House) : I think, Sir, Mr. Williams will be able to explain the position quite well.

THE HONOURABLE THE PRESIDENT : But he has explained it already.

THE HONOURABLE MR. A. DEC. WILLIAMS : May I add something. I do not quite follow why Honourable Members opposite should say there is no advantage in electing two Members now, because Government have every intention of availing themselves of their services pending the possible reconstitution of the Committee in the original form contemplated, every intention of using the services of these Honourable Members if the House will be good enough to elect them.

THE HONOURABLE MR. HOSSAIN IMAM : May we ask whether the Government propose to hold any meeting of the Committee before the next Assembly session ?

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

THE HONOURABLE MR. HOSSAIN IMAM : Then I think the amendment should be moved and the amended Motion accepted.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : If it is the desire of the House that I should move the amendment, I will move it.

I move, Sir, that for the word "two" the word "three" be substituted, in the Motion of which the Honourable Mr. Williams has given notice.

The general feeling in this House is that the number of representatives from this Council on the Supply Department should be increased. Apart from this, the debate that took place in connection with the matter in another place also showed that the strength of the representatives of the Legislature on the Supply Committee ought to be increased. From this point of view too it is necessary that the Council of State should be adequately represented on the Committee. I hope therefore that my amendment will be accepted.

THE HONOURABLE THE PRESIDENT : Do you accept the amendment, Mr. Williams ?

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

THE HONOURABLE THE PRESIDENT : Then the Motion, as amended, reads :—

"That this Council do proceed to elect, in such manner as may be approved by the Honourable the President, three Members to serve for the financial year 1941-42 on the Standing Committee attached to the Department of Supply."

Question put and Motion adopted.

THE HONOURABLE THE PRESIDENT : With reference to the four Motions which have just been adopted by the Council, I have to announce that nominations will be received by the Secretary up to 11 A.M. on Saturday, the 29th March, 1941 and the dates of election, if necessary, will be announced later.

CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE THE PRESIDENT : The Council will now proceed to elect Members from the Council who shall be required to serve on the Central Advisory Council for Railways and the Standing Committee for Roads. The elections will be according to the principle of proportional representation by means of the single transferable vote and the ballot papers will now be placed

in Members' hands and I ask the Honourable Members to vote in accordance with the instructions noted thereon. I have also to inform the House that the Honourable Lt.-Col. Sir Hissamuddin Bahadur has since withdrawn his candidature for election from the Central Advisory Council for Railways.

(Ballot papers were then distributed to Members and the election proceeded.)

THE HONOURABLE THE PRESIDENT : The results of the election will be announced later.

STANDING COMMITTEE FOR ROADS, 1941-42.

THE HONOURABLE THE PRESIDENT : As regards the next item of business, viz., the election of three Members for the Standing Committee on Roads, I understand that the following gentlemen have since withdrawn their candidature :—

1. The Honourable Rai Bahadur Lala Ram Saran Das.
2. The Honourable Rao Bahadur K. Govindachari.
3. The Honourable Haji Syed Muhammad Husain.

As there are three candidates for three seats I declare the following three candidates duly elected :—

1. The Honourable Saiyed Mohamed Padshah Sahib Bahadur.
2. The Honourable Mr. R. H. Parker.
3. The Honourable Mr. N. K. Das.

INDIAN FINANCE BILL, 1941.

THE HONOURABLE MR. C. E. JONES (Finance Secretary) : Sir, I move :—

"That the Bill to fix the duty on salt manufactured in, or imported by land into certain parts of British India, to vary the rate of the excise duty on matches leviable under the Matches (Excise Duty) Act, 1934, to vary the rate of the excise duty on mechanical lighters leviable under the Mechanical Lighters (Excise Duty) Act, 1934, to vary the rate of the duty on artificial silk yarn and thread leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax and to continue the charges and levy of excess profits tax and fix the rate at which excess profits tax shall be charged, as passed by the Legislative Assembly, be taken into consideration."

The Bill to which this rather lengthy title attaches is, as Honourable Members are aware, the annual Finance Bill to give legislative sanction to the Budget proposals except in the case of the 10 per cent. excise duty on pneumatic tyres and tubes, which, being a new duty, and in the absence of a general Excise Act, requires a separate enactment. As has been explained in the Statement of Objects and Reasons and the Notes on Clauses embodied in that Statement, the Bill provides for continuance unchanged during the coming year of existing rates in respect of salt duty, inland postage and income-tax and super-tax, but provides for the increase of existing rates of duty on matches, mechanical lighters, artificial silk yarn and thread, increases in the central surcharges on income-tax and super-tax and an increase in the rate of excess profits tax. These proposals, Sir, have all been mentioned and explained in my Budget speech which has formed the subject of a general debate in this

[Mr. C. E. Jones.]

House, and I think that at this stage no further elaboration on my part is necessary. I commend the Bill to the favourable consideration of the House.

Sir, I move.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Non-Official) : Sir, we are thankful to the Honourable the Finance Member for not taxing us more than he has done. We must win this war and if we do not, our fate will be worse than that of Poland, Norway, Belgium and the Netherlands. No sacrifice is too great for achieving that end and I therefore heartily support the proposals for additional taxation.

For years I have been pressing upon the Government the necessity for taxing pensions and other payments out of Indian revenues which are subject to the British Income-tax law. Sir James Grigg gave some relief to India in this connection and we should be grateful to him and I hope the Honourable the Finance Member will follow in his footsteps and make the interest payable on the loans he will raise in order to pay off our external debt subject to the Indian Income-tax law. I think he has indicated his intention to do so in his Budget speech in the other place, for he said in paragraph 38 :—

“ The gain may be reduced but against reduction will of course be set off the increased receipts from Income-tax ”.

We are going to pay off Rs. 120 crores and when this amount is raised in India, say, at 3 per cent. the interest will amount to Rs. 3·20 crores and calculating income-tax and super-tax, etc., say at 3 annas in the rupee, the yield will be Rs. 60 lakhs. This item should not be overlooked when he is trying to raise a few lakhs here and a few lakhs there. I must draw the attention of the Honourable the Finance Member to the way in which income-tax authorities treat the assessee. The Act is not a popular one and the authorities make matters worse by inconsiderate acts. To quote an instance, a notice dated 2nd March, 1941 is posted on 10th March, 1941 to an assessee who happens to be 1,500 miles away for paying a small sum on 10th March, 1941. The alteration of the date may be read as 20th March 1941. The income-tax pandits alone can make out what the correct date is. The notice threatens the assessee with all sorts of pains and penalties on failure to pay the amount on the due date. The official year is drawing to a close no doubt, but that is no reason for not being more prompt and for not treating the assessee with more consideration. He may not be in his place. He may not receive the notice in time. What if the year is out? Under the present law you can always recover the tax after the year is over. I hope the Honourable the Finance Member will insist upon the Income-tax Officers being more businesslike and being more considerate in dealing with the assessee.

Sir, we are submitting to the additional taxation without demur on account of the needs of the war, and we want the military authorities to be responsive to our legitimate demands. We from Madras are very grateful to His Excellency the Commander-in-Chief for having given orders for reviving the old Madras regiments. Our complaint is that our young men are not given commissions in the army or taken as pilots or as engineers or as technicians in the munition manufacturing departments in appreciable numbers. There are many young men who are qualified as engineers, mechanics and skilled workers. Applicants from Madras are sent for, interviewed and sent away and they do not hear any more from the military authorities. There is a bias in favour of the northern men and the men from Madras though in some respects

better qualified are overlooked and men from the north are chosen. Without offence I may say that the Madras young men are as a class more intelligent, better equipped and culturally better fitted than some of the men selected. I only ask for justice for my presidency. Give us a chance and we will prove our worth. I would earnestly request His Excellency the Commander-in-Chief to fix a quota for Madras in selecting men for commissions in the Army, for Air Service and engineering and skilled work, that is in all grades and modes of war work including the manufacture of munitions.

Another point that I wish to press upon the attention of the military authorities is the need for establishing training centres in Southern India in places like Madras, Bezwada and Trichinopoly. Why should all the training centres be in the north, especially for the Air Force? Ambala is getting overcrowded. The old order of things must change giving place to the new. By establishing training centres in the south you will not only relieve congestion in the north, but will also attract very desirable young men to the Air Force and the Army.

Let me emphasize the excellence of the South Indian officer by citing one instance. Many are the deeds of individual bravery, but the bravest of them all perhaps was the part played by a young Hindu officer recently commissioned from Dehra Dun in command of Sappers and Miners. Common belief imagines Sappers and Miners digging the ground, but to them fall some of the most dangerous tasks. One of their tasks is to go in advance and look for land mines which the Italians specialize in laying on the military routes. This officer tackled this job and time after time his men were killed and vehicles blown up and he miraculously escaped. When he had done the job for 24 hours, the Brigadier suggested that he might rest but the officer replied, “ I have got the technique of it, and it would be much better if I finish this job and spent another 12 hours in removing mines ”. This is the stuff of which the South Indians are made. I quote this instance not only to show what a deal of courage and endurance our men are capable of, but also to prove what an important part Sappers and Miners play in this war. Some years ago when I pressed for recruitment to the Army from the Madras Presidency, an Honourable Member of this House who is not a Member now sarcastically interjected, “ Ah, sappers and miners ”. Of course he was from the north and not a Hindu. I am proud, Sir, that the officer I spoke of is a Hindu—not one of the pampered class which is supposed to furnish the best material for the Army. I earnestly request His Excellency the Commander-in-Chief to do justice to the Madras young men in all branches of the Army.

With these few words, Sir, I have much pleasure in supporting the Motion.

THE HONOURABLE MR. M. N. DALAL (Bombay : Non-Muhammadan) Mr. President, Sir, in offering my observations on the Budget for the coming year, I must commence, even at the risk of being somewhat trite and conventional, with compliments to the Honourable the Finance Member for having achieved his task under such trying circumstances with so little that could be objected to and so much that may well be praised. The present, Sir, is a most trying period, with events of world-shaking importance following in the wake of one another with lightning rapidity; and upsetting the calculations and estimates of the most consummate matters of finance to a bewildering degree. We have seen it happen with sickening regularity in that land of sound finance and high budgeting acumen—England. Estimates presented in April are out of date by the following September, and those presented in September have no bearing upon the actuals at the end of March following. We have seen it nearer home in the attempt of our own financiers to keep

[Mr. M. N. Dalal.]

abreast of world-wide developments. Sir Jeremy presented a Budget—his first—last March, which was utterly obsolete in November: and the reconsidered figures of November are already out of date at the end of February this year. I do not mention this as evidence of the Finance Member's lack of skill or foresight. I simply mention it to show that, while there are so many factors to disturb and upset his calculations, the Finance Member is nevertheless able to maintain a fairly even keel; and sail his barque through all these stormy waves to an yet unobliterated heaven. And that, Sir, is, in my opinion no small cause for gratification, and compliments.

Coming, however, to the actual substance of the Budget, and the Ways and Means proposals placed before us, I must invite the attention of this Honourable House to *five distinct questions* which arise directly out of these proposals, and which have, in my judgment, a bearing more far-reaching than that intended by those responsible for this Budget.

I. Political and constitutional aspect.—On the last occasion, Sir, when this Honourable House had similar proposals before it, the one cry that echoed and re-echoed from all corners of the country concerned the very foundation stone of parliamentary democracy. The ages-old axiom of responsible government, insisting upon "No Taxation Without Representation" still continues to be in effect violated in this country, even though tax-burdens have multiplied to an unprecedented degree; and a revolution is being effected in the economic organization of the country. I am aware, indeed, of some basic inconsistencies in the attitude of the leading political parties during the present fight for democracy. But that is no excuse for perpetuating the stalemate, and so crippling the potential war effort of this country. The magnitude of the results achieved so far, even while a large number of representatives of the people stand aloof, ought to persuade the powers that be of the potentialities of India in men and materials for effective aid in the war; and so they must, while there is yet time, bestir themselves to conciliate the leaders of the country, and secure the hearty co-operation of the whole people, to obtain a speedy and decisive victory for the forces of freedom and justice. I do not desire to emphasize the political aspect too much. But I would like this Honourable House to consider this contrast. To invoke friendship and confidence, Britain today is ready to barter and mortgage to peoples in the Western Hemisphere essential parts of her Imperial heritage. On the day the French resistance to the forces of Nazidom was crumbling to pieces, the British Prime Minister offered a complete merger of the two States into one, if only France would continue to fight. And this after an alliance of only 30 odd years, preceded by an enmity of centuries. India has been an associate of Britain for nearly a century,—during which Indian blood and treasure have been poured out in British wars without limit. And that besides the incessant economic advantage of the drain from India running into millions every year. In return for this, what has Britain done for India? Some slight, hesitating, grudging advance towards a popular constitution, which even now does not amount to the status and powers of a Dominion? Has this contrast no significance?

II. Increasing burden of Defence.—Let me now turn to some specific features of the present Budget. I find an unceasing increase in our outlay on the engines of warfare and destruction. Within two years it has risen from Rs. 45 crores to Rs. 84 crores or more. It is difficult to say how much, if any, portion of this is likely to leave a permanent benefit to this country in the shape of new industries founded, or old ones developed. But its mere

size is sufficient to stagger and give food for the most uneasy reflection. Against a total estimated revenue for 1941-42 of Rs. 106 crores, we are to spend, in the same period, Rs. 84 crores net on Defence, or about 80 per cent.—a ruinous proportion for an unproductive outlay. The needs of Defence, of national security and integrity are, no doubt, paramount; and nothing we can afford can be deemed too much, if spent on that objective. But we cannot but insist that, at the very least, reasonable precautions be taken to ensure stringent economy, so that the fullest possible value is obtained for every rupee we spent on such unproductive objects.

It is considerations like this which lead to the suggestion, put forward even in the most moderate sections of the Indian political world, that the Department of Defence should immediately be placed in charge of an Indian Member of the Executive Council. An Indian is not likely to be more of an expert in military matters. But the mere presence of an Indian in charge of the Defence portfolio will engender public confidence, which the present system cannot command, in spite of the very sympathetic attitude of His Excellency the Commander-in-Chief. It is, therefore, as much in the interests of prosecuting effectively the war effort of India, as of the Indian national sentiment for controlling our own affairs, that I endorse and I repeat the demand for Indian control of the Defence Department, and all that comes under that vast spending organization.

III. War expenditure sharing agreement.—I have no desire to weary this Honourable House by excursions into fields of military policy, but, keeping myself strictly to the financial side of this matter, I must refer to the agreement, explained last year by the Honourable the Finance Member, regarding the sharing of the total war expenditure of India between the Government of India and His Majesty's Government. This arrangement leaves much to be desired from the Indian standpoint. Even if one does not question the fundamental justice or propriety of the basic principles and objectives, in the light of which that arrangement was made, one cannot but wonder what the actual burden is being cast upon India today, and what portion of the aggregate outlay by India due to the war is to be eventually shouldered by Britain. I have searched carefully through the figures presented in the Financial Statement, and the Explanatory Memorandum; but have failed to find the actual amount which eventually will be borne by Britain, though paid for the moment out of Indian resources. India is budgeted to bear 84 odd crores of war burden in 1941-42. But that is not the whole amount which will be spent in connection with the war out of Indian resources. The arrangement I have just referred to provides, that India should bear on this basis, for the Budget for 1941-42:—

	Rs.
1. For the normal net effective costs of Defence Services	36.77 crores.
2. For rise in prices	3.55 "
3. For war measures undertaken by India in her own interests	35.40 "
4. For Non-effective charges of Defence	8.41 "
Total	84.13 "

This makes a total Rs. 84.13 crores, including the lump sum contribution of one crore in item No. 1. Even if we do not dispute that all those items, which are scheduled under item 3, costing over Rs. 35 crores in the next year, and have cost, or are estimated to cost, before the end of the current financial

[Mr. M. N. Dalal.]

year, Rs. 24·31 crores, are war measures undertaken by India in her own interest, we would like to know fuller details of these items to create more public confidence; and we would like to know the real service or benefit each of these is expected to render to India. To what extent is this going to be a permanent burden? How far will this leave any substantial benefit to Indian trade and industry? What steps have been taken to see that this enormous outlay will be made so as primarily and substantially to benefit Indian capital and labour? These are grave questions of national importance, and I trust Government will give India a fair deal in these matters.

IV. *Borrowing and repatriation of Sterling debt.*—Turning next to Ways and Means position of the Budget, the Honourable the Finance Member has frankly told us that his proposals for additional taxation will not cover more than one-third of the estimated deficit in the coming year. The balance he proposes to meet by borrowing. This borrowing programme, Sir, has not been announced and explained with the fullness that this House is entitled to expect, when it is a question of such vast amounts. I do not question the need for borrowing during this struggle; but I think such borrowing should not be unmindful of the country's capital needs of industrial expansion and development. While the Government remains the only large scale borrower in the market, and consequentially restrictions are imposed upon the public raising capital for more productive ends in industry or agriculture, we are entitled to demand—

THE HONOURABLE THE PRESIDENT: Have you any alternative suggestion to make as to how the balance is to be met if you do not borrow?

THE HONOURABLE MR. M. N. DALAL: I am not asking for any suggestions, Sir.

THE HONOURABLE THE PRESIDENT: I ask you, if you have any suggestions?

THE HONOURABLE MR. M. N. DALAL: I do not think I have any particular suggestion to offer. But all that I want is to know something about the borrowing programme and as to what the Government scheme is. We are entitled to demand the most detailed information, and the most stringent possible control on those operations of Government which cannot be exercised if full information is not supplied.

Attention may also be invited, in this connection, to the large transaction for the repatriation of our Sterling loans, to which the Honourable the Finance Member has referred at some length. It is open to question whether there would be any substantial reduction in the burden of India's indebtedness in consequence of this transaction. The purpose, moreover, of this transaction, as far as one can ascertain it, was more to aid the British Government in International Exchanges and Britain's own defence loans, than to help India's trade or credit. I am, however, not disputing that aspect of the matter, as I do not think there is any inherent disadvantage to India in such a repatriation of loans. But I would like this Honourable House to note that, while carrying out such vast transactions, which may have repercussions far beyond the immediate periphery of the deal, Government should consider the advisability of consulting Indian opinion, especially as voiced in the Legislature. In this case even the Reserve Bank directors have not been consulted, if my information is correct, I realize, indeed, that such matters cannot be

thrown open to all the winds of publicity blowing in a democratic Legislature. But even so, I see no reason why a Standing Committee of the Legislature should not be set up to be associated with the doings of the Finance Department in such matters, as and when the occasion arise. There is, I know, a Standing Finance Committee of the other House. But that is mainly concerned with the Budget, as such; and has little contact with transactions like this connected with the Budget, and affecting materially the general economic position of the country. I trust this suggestion will meet with favourable consideration from Government.

V. *New tax proposals.*—Sir, referring to the several proposals for new taxation, taken collectively, they are not badly framed; and the burden, if it has to be borne, will, as a result thereof, be more fairly distributed. The surcharges on income-tax, and additions to the excess profits tax are, I trust, no more than war measures; and shall be dispensed with as soon as the war is over, or as soon thereafter as possible. These imposts are bound to affect prejudicially the country's means for capital accumulation and should be dropped the moment the need is over. The duty on artificial silk yarn and thread may be said to have a protective value to our own corresponding industry, which must bear its own recommendation; but I wish yarn was not taxed so high without a corresponding import duty on artificial piecegoods. Doubling the excise duty on matches seems to be rather harsh, because that seems to be the only burden likely to fall in a relatively greater measure on the poorer classes of the community. It must, however, be agreed that, in this war, all classes must join and contribute their quota to the final victory; and so such proposals cannot evoke that bitter criticism, which would otherwise be their fate.

Conclusion.—Taking all the proposals and observations of the Finance Member together, I feel there is not much room for optimism. He has, as I have already admitted, tried to make the best of a bad bargain, and sought to spread over the burden he found inevitable as lightly and extensively as possible. But the feeling of uncertainty as to the future, and the fears of a very considerable expansion which may quite possibly occur in our already heavy expenditure on war, must effectually restrain and modify what little gratification the people at large might feel in this Budget. And, Sir, above all will be felt and noticed the absence in this Budget of any note of conciliation towards the people of India, and desire to secure their willing co-operation in the gigantic task before us. I trust the Honourable the Finance Member, and the Government he represents, will see the need to conciliate the leaders of the Indian people, harmonize the interests of this country with his own, and endeavour to pursue, promote, and achieve them in co-operation with the people of this country.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar : Non-Muhammadan) : Mr. President, Sir, there are three very important differences in the situation as it was when the Finance Bill was discussed last November and when it is being discussed this year. The first is that the Congress Party was present last year and successfully opposed the Bill; but it is absent this year. The second is that the Muslim League Party remained neutral last year, but is actively opposing the Bill this year. The third difference is that the Finance Bill was thrown out by the Assembly last year and came to us only as a certified measure. The fate of this Bill in my opinion would have been the same had the Congress Party been present this year. To my mind therefore the position remains unaltered, namely, that the Finance Bill has failed to secure for itself the support of elected non-official Members.

[Rai Bahadur Sri Narain Mahtha.]

When the Finance Member at the end of a six-day debate in the other House rose to make a reply he felt like a guest who had strayed into a wrong party. He was quite right. The correct position is that our objections to the Finance Bill are mainly political and not financial. India is vastly dissatisfied with the present position in this country, and feels that its domestic differences are being designedly used by the British Government to its disadvantage. Instead of cementing our differences the British Government has accentuated them. Every Party in this country feels so. When it has suited the Government to ingratiate into its favours a particular Party or community, it has done so without in the least caring how deeply its policy was going to poison the life and integrity of India as a whole.

Sir, the only political offer before the country is the offer made in August, 1940. It cannot be denied that the offer of the British Government of August, 1940 gave recognition to the fact that the present Executive Council of the Viceroy, to say nothing else, was neither adequate nor sufficiently representative to organize and direct the war efforts of over 400 million people. At the conference that was recently held at Bombay there were several ex-Executive Councillors. It cannot be said that it is only so long as one is actually in office that he can tender sane advice to Government and as soon as he leaves office his sanity and wisdom lapse. The Bombay resolution has limited its immediate objective to a reconstruction of the Governor General's Executive Council consisting only of non-official Indians who will for the duration of the war remain responsible to the Crown. It has further been emphasized that the Government must work as a Cabinet with joint responsibility and not as a collection of departmental heads and should deal jointly with all important matters of policy. Simultaneously with the reconstruction of the Executive Council is a declaration necessary that within a specified time limit India will attain a constitutional status such as that of Australia and Canada after the war. Last year, I along with several other Members urged for an Indian Defence Minister as a forerunner to further constitutional advance, because, we felt that only a national leadership can rouse the country to make sacrifices, and we further felt that self-rule alone can generate that energy and enthusiasm which we require for fighting for the cause of democracy and freedom. Here I wish to point out that several things are possible even within the terms of the Viceroy's declaration. There is nothing to prevent an Indian holding the Defence portfolio. The Government of India Act does not compel the Commander-in-Chief to be the Defence Member. The convention can be broken without amending the Act. Equally, there is nothing to prevent the Central Executive Council from functioning as a Cabinet on the basis of joint responsibility to the Viceroy. Political India insists that it should be Indianized and that it should function as a Cabinet and that there should be a formal assurance that it would. In the Executive Council as at present constituted some measure of joint responsibility may have been in evidence from time to time, but what is now desired is a formal arrangement formally conceded. That would be a landmark in India's political development. In demanding this I or political India wish to pass no censure on the existing practice which, whatever it may be, is a secret practice and is in the secret keeping of the Executive Council. All the changes that I am urging, Sir, are thoroughly possible and fully well deserved changes and are within the ambit of the constitution under which we are working today.

The mentality of the Indian is rapidly changing. The only angle of vision from which an Indian now likes to look at a question is—in what manner a

particular measure or step is going to affect his position of servitude, his position of slavery in his own land. I heard, Sir, with great admiration the speech the Maharajadhiraj of Darbhanga the other day. He pleaded for more trust towards Indians and for associating them in a larger measure in the control and management of war expenditure. The Maharaja of Burdwan speaking at the recent Bombay Conference stressed on two points :—(1) that whatever the number of the members of the Executive Council, it should be completely Indianized, and (2) that the post-war position of India should be one of equality with that of Britain. I have made a reference to these two speeches particularly because they are both from big landed magnates who are amongst those who are contributing very heavily towards the war. I want the Government of India to realize that the political barometer of India indicates grave dissatisfaction with their policy and that if they do not respond to the very moderate demands made in the Bombay resolution they will lose even the very few friends they have in this country and that they will have to establish military rule in this country in order to hold it as a part of the British Empire.

Sir, one question that is being asked regarding the reorganization of the Executive Council is : What would be gained by doing so, if the most powerful organizations in the country will keep out of it? This apprehension is in the first instance miscalculated and in the second instance is wrong ; because, if the Executive Council is completely Indianized and if this Executive Council is to work as a Cabinet, the psychological effect on the country of this change will be so great that it should outbalance all other considerations. People will clearly understand that Government really mean business and are willing to part with power. Besides, Sir, what is the position of the Parties in this country ? The Hindu Mahasabha, we all know, is willing to come into the Executive Council and the Muslim League, I find, is not opposed to joining the Executive Council. Mr. Jinnah in an interjection during the speech of Mr. Aney in the Assembly the other day said :

“ Our position is this. We divide the problem of India into two parts—the present and the future. As far as the future is concerned, we say that when the time comes to change the whole constitution we shall then discuss the various schemes. We believe in Pakistan. As far as the present is concerned, our position is that we are willing, only for the prosecution of the war successfully, to co-operate in forming a Government within the framework of the constitution ”.

I have quoted the exact words used by Mr. Jinnah.

THE HONOURABLE MR. HOSSAIN IMAM : Perfectly correct.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : This is, Sir, the position of the Muslim League as most recently stated by Mr. Jinnah. I say, therefore, to Government : You have the co-operation of the Hindu Mahasabha available to you, the Muslim League is ready to join : besides, you have the blessings of a great bulk of unattached non-party men in this country. Why don't you reconstruct the Government at the centre with this material available to you ? For the time being you may perhaps have to leave the Congress out to take care of itself. If, however, it is the intention of Government not to do anything or not to do anything unless the Congress is willing to come in, then I wish to tell the Government that it is driving the other Parties into desperation and that too at a time when so much discontent is already smouldering in this country. Besides, I venture to think that the repercussion on the country of a step like the one I have suggested above would be such that the way to a settlement with the Congress itself will be paved and there will be a settlement at no distant date. The arguments of

[Rai Bahadur Sri Narain Mahtha.]

Government in this matter are very paradoxical. One thing which is very curious is this that when the Government is asked about the volume of Indian support it has in the war, the Government says that India is fully supporting the war and the whole of India is with it in the endeavour to win the war, but when the question of Indianizing the Executive Council comes the Government says that it will not do so because representative men, who can influence public opinion, cannot be found. This is a remarkably strange paradox.

Last November, Sir, I spoke at considerable length about Pakistan. I still think that it is a chimerical and an unpractical scheme. Mr. Jinnah has recently said that the scheme does not involve a transfer of population, *i.e.*, there will have to be no expatriation and repatriation. But no one has so far said what rights will be enjoyed by the Hindu minority in Pakistan.

THE HONOURABLE MR. HOSSAIN IMAM : The same as enjoyed by Mussalmans in Hindustan.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : Will you in that case hold the Hindus in Pakistan as hostages against the Muslims in Hindustan ?

THE HONOURABLE MR. HOSSAIN IMAM : Not if you don't.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : We have not been told what safeguards the Hindus will enjoy against what the Muslim League calls "Danger to religion and culture?" I am thankful to the Honourable Mr. Hossain Imam—I have just read his speech which he delivered on the last occasion—and I am thankful to him particularly because he claims to know me so well indeed and says that he thinks he can always be confident of the fact that I am never motivated by any communal urge when I enter into a discussion of this kind. I am thankful to him for the very complimentary tone in which he spoke about me. Replying to me the Honourable Mr. Hossain Imam thought that my inquiry was in the nature of genuine search for information and he, therefore, advised me to address my questions to the Muslim League for a reply. I, therefore, think that it will interest my Honourable friend Mr. Hossain Imam and the other Members of this House to hear a line or two from a letter that I have received from Sir Manmatha Nath Mukerji who, I need not remind the House, was not very long ago the Chief Justice of the Calcutta High Court and a distinguished Member of the Viceroy's Executive Council. The important portions of the letter read as follows :—

" You know perhaps that there have been no less than seven or eight different schemes which go by the name of Pakistan scheme. I was trying in the meantime to get a copy of the latest Pakistan scheme, I mean the one as most recently revised. But I am sorry I have failed. * * * Hardly a week passes when you do not find a new edition of the scheme. It is wonderful. * * * I doubt whether Mr. Jinnah will care to send you a copy of the latest scheme if you ask him for it. I think it would be better for you to wait because I think we may find it published in a complete form quite soon."

But, Sir, I am not surprised that no authorized and comprehensive scheme has come out so far, bearing the hallmark of the Muslim League or the stamp of Mr. Jinnah. Pakistan is being used as a meaningless political slogan good enough only as a slogan.

THE HONOURABLE THE PRESIDENT : Is this the time to discuss the Pakistan scheme ?

THE HONOURABLE MR. HOSSAIN IMAM : I shall reply at some length, Sir.

THE HONOURABLE THE PRESIDENT : I know you will reply.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : Sir, I am putting these questions because I feel that the British Government is exploiting the situation, and on the other hand the Congress is following a policy of appeasement to Muslims without being able to appease them—

THE HONOURABLE MR. HOSSAIN IMAM : Is it ?

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : Surely, and a policy of non-co-operation towards the Government in regard to the war, although the actual effect of their having walked out from office in the provinces and from the Central Legislature has been the diminution of the pressure of public opinion on Government and the weakening of the national life of this country at a most critical hour of history.

From the constitutional question and the question of Pakistan, before I pass on to some of the items of the Finance Bill, I should like to quote the very correct and telling criticism made of the much boomed offer made by the British Government in August, 1940 and the circumstances attached with it by Mr. H. N. Brailsford. He said, "How many realize that India is on strike against our rule and our war?" Analysing the reasons for the failure of the Viceroy's offer he says : "Enlarging the Executive Council was not a small thing because it meant placing several departments in the Central Government under Indian heads, but neither was it what many thought it was".

Mr. Brailsford asserts that what was in effect offered was the status of distinguished civil servants. The Government could have said : "We intend to make the enlarged Executive Council virtually a Cabinet responsible to the Legislative Assembly." "If we said this or anything like this, I do not think the Congress would have refused the offer. We did not say it. Neither did we mean it. There was no intention of transferring real power."

The offer of self-determination or whatever it was, was so vitiated by assurances towards minorities that in effect veto powers were placed in the hands of Mr. Jinnah. That being so, why should this man, determined to break up India in order to create a Muslim Ulster, consent to any compromise? Bent on dividing India, Mr. Jinnah armed with the veto makes unity impossible by advancing fantastic claims. Any British Government which gives Mr. Jinnah the veto is deliberately using him to end self-government. You are too scrupulous to coerce the minority, so, without any qualm of conscience, you crush the majority.

THE HONOURABLE MR. HOSSAIN IMAM : Or crush the minority.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : Sir, my attitude towards the Finance Bill is the same as it was last November. As I said last time, I am against Hitler and I want the defeat of the totalitarian States, but simultaneously I am not prepared to lose sight of the fact that my own country is also under imperialistic domination. I am a slave in my own land, and I cannot rid myself of the idea that if you want to preserve your independence, if you want freedom for yourself, why must you deny it to others? I cannot, Sir, at this stage, help referring to a portion of the speech made by the Honourable Mr. Jones on behalf of the Government on the last occasion. He said—I am quoting his exact words—"My friend the Honourable

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Sri Narain Mahtha said 'I am going to vote against the Bill, it is not a vote for Hitlerism'?" "I ask again", he went on to say, "Can you vote with a caveat? Can you vote with a rider or an explanatory condition attached?" I say, yes, certainly. Every speech is an explanation to the vote. If not why are the speeches made? I support the war, but I do not support the attitude of the Government towards the constitutional question in India, and I must register my protest against that. What is the most effective constitutional method open to me to do so, but to vote down the Finance Bill? We are working under a constitution in which we have an irremovable executive. A vote of censure has no effect on them. We must, therefore, signify by some means that we cannot tolerate your attitude towards India. I am sorry that the Honourable Mr. Jones went further than was necessary. He said, "A Member who votes against this Bill is doing all that he can as a Member of this House in support of Hitlerism". That is a very queer interpretation of our vote and the Honourable Mr. Jones deserves the thanks of the German broadcasting station. Mr. Jones cannot distinguish between friends and enemies, and thus helps the enemy on account of his myopic judgment. He makes enemies of friends. It is the short-sighted policy of the British Government in India that is gradually alienating this country, and to say the least is making it apathetic towards the fate of England and the British Empire. We of this Party support your war efforts. We encourage recruitment, we help in raising funds for the war, but these do not and must not in the least deter us from asking for our own rights in our own land.

Sir, I am not very much interested in the actual provisions of the Finance Bill and have not much criticism to offer with regard to them. I shall, however, just say a word or two with regard to two things. I am thankful to the Finance Member, Sir, for the assurance he has given regarding regulating and stabilizing the price of matches, excluding of course the effect of local taxes on them. I am also thankful to him for the promise to negotiate with the industry to raise the number of sticks in the match box from 40 to 50.

Regarding the enhancement of the import duty on artificial silk yarn, it has been urged from various quarters that without a corresponding duty on the imports of artificial silk piecegoods it will adversely affect both the mill industry and a large section of handloom weavers who are dependent on this particular cottage industry. The plea taken by Government that it is not a protected industry and therefore no taxes on imports of the finished material could be levied is merely technical and highly unconvincing.

Sir, I oppose the Bill.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce): Sir, the Honourable Rai Bahadur Mahtha has stated at considerable length his reasons for opposing this Bill. I would like to ask him one question, a very simple one. Suppose it depended on him as to whether the money required for the war would be supplied or not, would he vote for or against?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I cannot hear the Honourable Member's question.

THE HONOURABLE MR. R. H. PARKER: Supposing it depended on him whether the money required for this war were to be supplied or not, would he vote for it or against it?

THE HONOURABLE MR. HOSSAIN IMAM: The question does not arise.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: You have not left it to us.

THE HONOURABLE MR. R. H. PARKER: I put it as a supposition.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Give us the power to decide.

THE HONOURABLE MR. P. N. SAPRU: When there is offer of co-operation on our side surely we are prepared to shoulder the responsibility for carrying on this war if it is left to us to carry. That is the answer.

THE HONOURABLE MR. R. H. PARKER: Sir, I will make my observations as brief as possible because I think in these days we should avoid verbosity and do as much useful work as we can. Some of us can do comparatively little to help in the war effort but that seems to be all the more reason why we should take up as little as possible of the time of others who are actively engaged in it.

I have on occasions in the past expressed some doubt as to the adequacy of the Defence Budget, and I am confident that every friend of India must welcome the change of policy which has taken place on this point, greatly as all of us must deplore the circumstances which make this increased expenditure so essential.

I am confident that every Indian in his heart of hearts and every European in this country is anxious to do everything he can to ensure that the gallant Indian Defence Forces who, as we know have given such a grand demonstration of their capacity in Africa, should be supported with the best available equipment in thoroughly adequate quantities. We recognize that this must be a costly affair for not only have we to equip a very much larger army, but also the Navy and the Air Force.

Once more we in India can congratulate ourselves not only on the immense help to us that the British Navy gives, but also to the benefits we gain from the protection direct and indirect afforded us by the United Kingdom. The Honourable Mr. Dalal just now asked, 'What has Britain done for India'? Well, she has a Navy.

The provisions now being made would indeed go a very short way to meet the requirements of the case were India in a similar position to say China.

Had it not been for the foresight of the Honourable Member for Communications and the Honourable Finance Member a year ago when steps were taken to increase railway revenues, we should have been in a very much more difficult position today than we are. The increases in charges then introduced have, I think, been fully justified by the results and my only regret is that a substantial part of the increased revenue must be coming from the unfortunate taxpayer in the United Kingdom who is already suffering so much and so bravely.

Heavy traffic, while it brings increased revenue, is apt to bring troubles both for the railway administration and the public. The latter complain of a serious shortage of means of transport due no doubt partially to the immense quantities of goods being carried to provide the requirements of His Majesty's Government in connection with the war, and also to the necessity of carrying coal by rail which would in times of peace have been carried by water.

[Mr. R. H. Parker.]

We thus find the railways fully engaged, and indeed so much so that they cannot carry the goods traffic with the promptitude which we would all desire. Moreover, we find the railways producing a financially satisfactory result.

At any rate for the time being there is no ground for the view which I think has been over-stressed in the past that the railways require protection from competition on financial grounds. Recently on that particular point, a memorandum was issued by an official of the Government of India for the guidance of Local Governments as to the question of protection of the railways. That memorandum was primarily supposed to be the personal views of the individual in question. In another place, the point was put to the Honourable Member for Communications as to whether that was also meant to be the view of the Government of India. He did not exactly say that it was and he did not say that it was not. What he said was that it originally represented the individual's views and I think he said that it now indicates his views also. That means, at any rate, that the Honourable Member for Communications supports it. That statement was a somewhat curious one because it practically stated that the main duty of the Local Governments was to see that the Railways were not damaged. I happen to represent an Association that is interested in transport as a whole as opposed to any particular section of it and we thought that perhaps Local Governments might misunderstand their position as the result of this, and for that reason it was suggested that the memorandum should be withdrawn or amended. The Government of India have taken the view that they are right or, at any rate, they are not prepared to change their view. I put the matter to a very eminent Counsel at Bombay and I have received his opinion this morning. I will only read one or two short extracts. He says :—

" My opinion is sought as to whether Mr. Mitchell's Memorandum and particularly the following passage contained therein is a correct statement of the effect of the Indian Motor Vehicles Act, 1939. The passage is in the following terms : ' But in this one respect the control of long distance road transport of goods the Act relies on the direct action by Provincial Governments to prevent damage to the railways and to the roads by exploitation for private gain of the inescapable facts of the railway rate structure '.

" The Memorandum as a whole constitutes what may be fairly termed strong advocacy for the protection of railways against road transport ".

He then goes on to quote from the provisions of the Act, which are fairly well known to most of us, and makes one or two other comments—

THE HONOURABLE MR. P. N. SAPRU : On a point of order, Sir. Is it proper for my Honourable friend to read out a Counsel's opinion given in a professional capacity ? Counsel is entitled to give his opinion in a professional capacity but that opinion is not binding on the House and it ought not to be used as concluding any particular matter.

THE HONOURABLE THE PRESIDENT : That is quite right, but he has interposed with words of his own. So, it becomes relevant.

THE HONOURABLE MR. R. H. PARKER :

" If Mr. Mitchell's Memorandum is intended to be as it were an authoritative guide to be considered by Provincial Governments or their advisers in deciding questions which may arise under the sub-section it is in my opinion definitely misleading ".

Then he goes on to say :—

" The passage ' the Act relies on direct action by Provincial Governments to prevent damage to the railways and to the roads by exploitation for private gain of the inescapable facts of the railway rate structure ' is certainly not a fair representation of the provisions of the Act which as I have already stated imposes upon the Provincial Government the obligation of considering all the topics mentioned in the sub-section and of exercising their powers fairly and impartially for the benefit of the public ".

How far that may be the right or wrong view of the case, I only want to say this, that it has been suggested that the point of view put forward to Government was in itself misleading and unjustified and I would like it to be understood that there was as much justification as the opinion of eminent Counsel shows. The Honourable Mr. Sapru thinks it is improper to quote the opinion of Counsel, however eminent ; I cannot think that he can be right. He knows more about the law than I do, but if you cannot quote the opinion of Counsel, there is not much use in consulting him.

Whether the case for the reduction of competition was good or bad in the past, it seems clear that now what is wanted is relief to the Railways in the form of transportation by other means of as much as possible.

It is of course a difficult subject to analyse satisfactorily and one can only come to very general conclusions.

I do not propose to ask the House to listen to any details on the point but some calculations which have been made and placed before a number of knowledgeable persons for examination have so far elicited no corrections. It is of course true that they only lead to an estimate of what the Railways may have lost in the past which is not necessarily any criterion as to what they might lose in the future. It is, however, of some interest to know that they show that after taking into account the revenues which the Central Government obtains from the carriage of goods by motor transport and the loss of revenue by the Railways, the net loss to Government and the Railways combined seems to be only about Rs. 18 lakhs per annum.

When we remember that the gross revenue from goods traffic on Railways amounts to Rs. 75 crores a year, it seems plain that this difference could very easily be made up by some comparatively minor adjustments in railway freight rates.

Railways would thus seem to have suffered little from competition by road transport and industry would seem to have little to fear if such competition leads to such a slight increase in normal railway charges.

A careful diversion of traffic which can as well, if not better, be carried by road to the roads should be for the benefit of all.

Already complaints are being made that permits to carry perishable goods from one region to another region are not being granted by the Regional Transport Authorities in question and I am told that large quantities of melons in these circumstances have had to be transported by rail to Bombay instead of by road as in the past, with the result that with the extra handling and the delay incurred they have arrived in a state unfit for human consumption.

THE HONOURABLE MR. HOSSAIN IMAM : Is the road transport quicker than the railway ?

THE HONOURABLE MR. R. H. PARKER : Certainly.

This is only one instance but it does seem a pity that good food should be wasted, that the growers should lose the proceeds of their crops, that those who

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want to eat the fruit should have to go short or should have to pay more for it than they ought to pay, thus creating another ground of claim for additional wages, dear food allowance or something of that kind.

In these circumstances I do hope that my Honourable friend the Member for Communications, will follow the example of the Minister for Transport in England by making a public announcement that there should be a reversal of policy and a diversion of traffic from Railways to other means of transport : that he will do everything he can and everybody else concerned should do everything they can to ensure that all forms of transport in India will be used to their maximum capacity.

I appreciate that his position is not quite the same as that of the Minister for Transport in England who has powers over both road and rail. I nevertheless think that such a pronouncement by him would not only guide the Railways, over which he is in control, in this matter, but would also be a guide to the Provincial Governments, Provincial Transport Authorities and Regional Transport Authorities in dealing with road transport.

Let the Honourable Member for Communications make it quite clear that what he wants is the maximum use of all the forms of transport available.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Mr. President, the Budget normally is an epitome of the economic situation in the country, but at the present time it is much more and the consideration of the Budget will open up much larger questions than it does in ordinary times. These questions are so varied and so profound that I think it is necessary for us to deal with them on an occasion like this even though in doing so we may have to refrain from considering financial questions of an important character. Before however I deal with the issues involved in the Budget that is before us I cannot help referring to one or two matters which are small in comparison with these issues but which require consideration at the hands of Government.

These are days when strict economy ought to be enforced. I do not wish to accuse Government of being extravagant. Nevertheless one hears from time to time stories in connection with the administration of certain departments which create a great deal of uneasiness in the public mind. If I were however to deal with the departments against which criticism is generally brought forward I should have very little time left for considering those questions to which I wish to confine myself this afternoon. There are two questions however which I want to address to the Finance Member in this connection. When, Sir, the post of Financial Adviser to the Crown Representative was created we thought that the post would be of a temporary character. It seems however that it is going to become permanent.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House) : My Honourable friend means the Political Adviser? He said Financial Adviser.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I meant the Political Adviser to the Crown Representative. It seems now that the post is going to be of a permanent nature. If so, what is the justification for it? The expenditure on the post may be a bagatelle as compared with the total expenditure that we have to incur. But as I said before, instances like that create the impression that the Government are not exercising that control

over expenditure that they ought to where the appointment of Europeans to important post is concerned. The second question that I wish to ask is about the posts of Reforms Commissioner. The previous Reforms Commissioner has become the Governor of Orissa. What is going to happen to his post? Is that post too, even in the present circumstances to be treated as permanent? Is a new person to be appointed to that post although nothing whatever is being done in connection with the development of the Indian constitution?

(At this stage the Honourable the President vacated the Chair, which was taken by the Honourable Sir David Devadoss.)

There is another question also which I wish to address to Government though it is not of a financial character. It was said the other day in another place that the Chief Justice of the Punjab had issued instructions that cases under the Defence of India Rules should not be placed before any Indian Judge of the Punjab High Court. The statement was not denied in the other House. If it is wrong it ought to be immediately contradicted. If it is right then we ought to be told what action Government propose to take to stop this unwarranted, I may say scandalous, discrimination between the Judges.

THE HONOURABLE THE CHAIRMAN (The Honourable Sir David Devadoss) : Order, order. The Legislature is not entitled to remark about the conduct of the High Court.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I am referring to a rule made debarring Indian Judges from the consideration of certain cases. The matter was discussed in the other House.

THE HONOURABLE THE CHAIRMAN (The Honourable Sir David Devadoss) : The rule is that reference should not be made to a High Court and its procedure here. That is a recognized principle of all Legislatures. The Honourable Member will accept my ruling. If I am wrong that is another matter. That is my ruling. Therefore no remark should be made about any Judge.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Sir, my information is, that that particular order has been withdrawn.

THE HONOURABLE THE CHAIRMAN (The Honourable Sir David Devadoss) : Never mind that. That is beside the point. We cannot discuss the conduct of any High Court Judge here.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Sir, I was not discussing any judgment of the High Court.

THE HONOURABLE THE CHAIRMAN (The Honourable Sir David Devadoss) : The Honourable Member will please go on with another matter.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : As the Leader of the Opposition has informed us that that order has been withdrawn, I will not dwell on the matter any more. Otherwise I would have ventured to submit for your consideration that the matter which was of an executive kind did require consideration at our hands.

[Pandit Hirday Nath Kunzru.]

And now, Sir, I shall devote all my time to the consideration of those issues to which I referred earlier in my speech. During the last 12 months, Government have come before us thrice with proposals for additional taxation. There is the excess profits tax which was imposed last year; then there is the surcharge on income-tax, including super-tax and corporation tax and so on. Taking the yield from all these taxes it seems that the additional taxation will amount to about Rs. 24 crores and this without taking into account the increased revenue owing to the enhancement of rates and fares in the Railway Budget. The heavy taxation that has been imposed has not sufficed to enable the Government to present a balanced budget. As time goes on I have no doubt that greater expenditure will have to be incurred and that more taxation will be imposed. Is this taxation going to be imposed without giving the people any voice in the determination of their own affairs? The Government ought to try at a time like this to do their best to have the willing and enthusiastic co-operation of the people on their side and to ask their leaders to invite their countrymen to shoulder the burdens that should be borne in order to preserve freedom not merely in other countries but in their own. What is it, however, that they have done in this connection? Whenever we have asked that bold and far-reaching steps should be taken in order to rouse the moral enthusiasm of the nation we have been met with the reply that the offer made by His Excellency the Viceroy in August last is the last word of the Government on the subject of constitutional advance. Sir, it does not seem to me that notwithstanding the speeches that have been made since August last both by the Secretary of State for India and His Excellency the Viceroy, that Government mean to expand the Executive Council at all. Even for that expansion we are told that communal concord is absolutely necessary. Sir, I have made no secret of my opinion with regard to the attitude both of the Congress and the Muslim League on this point. It is not necessary for me therefore to dwell on the subject now. I do not wish today to criticize any political party for having committed itself to a certain policy. My object at present is to consider whether in spite of the difficulties before us we can find a way out of the present deadlock. My object is not destructive, but purely constructive. Now is it or is it not possible for us to take even now steps that would bring the unhappy deadlock with which we are faced to an end. It has been frequently said that the intention of the Government, when the Viceroy made his announcement of August 8th, 1940, was to proceed with the enforcement of the scheme outlined by him even though it might not receive the support of all political parties. I should, however, like to read out a few words of Mr. Amery on this subject. Speaking in Parliament on the 14th August, 1940, that is, within a week of the Viceroy's announcement, he said :—

“ I still hope that they will all be willing to take their part in spite of the discouraging attitude shown in Congress quarters. If that should unfortunately not prove to be the case, Lord Linlithgow will of course still go ahead prepared to work with those who will work with him and each other ”.

The position has, however, changed and we are now told that the political situation makes it impossible for Government to take any steps in the direction indicated by those who represent nationalist political thought in this country. What is the reason for this change in the attitude of the Government, which knew soon after the Viceroy had made his announcement that his offer had not met with the whole-hearted support of any political party and had been condemned already by the biggest political party in the country? I shall again quote Mr. Amery to show what the reason for the sudden change in the

opinion of Government is. Speaking in the House of Commons on the 20th November he said :—

“ At any rate these proposals, apart from the intransigent attitude of the Congress, have made a real substantial difference to the general outlook in India ”.

I should like the House to note these words. It seems to me that Mr. Amery wished to say that whatever the attitude of any political party might be he was confident that the result of liberalism on the part of Government would be to create a responsive feeling among the people. Where has this belief in the fruitfulness, in the eventual fruitfulness, of a liberal policy on the part of Government gone? Why are Government more diffident than they were before? This is what Mr. Amery says to justify his changed attitude :—

“ At the same time, in view not only of the Congress objection but of the hesitant attitude of other parties, the Viceroy was put into a position of no small difficulty. It was of course always possible for him to fill up an enlarged executive somehow with individuals of high character and ability. But that would not have carried out our clear desire to associate the political leaders of India more directly with the Government during the war. It would have closed the door for a considerable time to come, and the Viceroy's desire is to leave the door open. Consequently he came very reluctantly to the decision to suspend the expansion of the executive and the formation of a War Advisory Council for the time being.”

It is extraordinary that Mr. Amery, who in his speech on the 14th August had said that whatever the attitude of the political parties might be Lord Linlithgow would proceed with his plans, should say three months later that it was impossible to expand the Executive Council and to allow any constitutional advance because the political leaders of India were unwilling to join the enlarged executive and any enlargement of the Executive Council would close the door upon a constituted settlement for a considerable time to come. I cannot see, Sir, that there is the slightest justification for a conclusion of that kind.

Let us consider for a moment whether this is the first occasion on which Government have been faced with the opposition of political parties in this country. We all know, Sir, that when the Montagu-Chelmsford scheme came into operation, it was bitterly opposed by the Congress. Did His Majesty's Government stop the inauguration of the reforms because of the opposition of the largest and most influential political party in India? No. On the contrary they proceeded to put the reforms into effect. And what was the result? Even those who boycotted the legislatures in the beginning saw the wisdom of entering them three years later. Suppose that the Government, using the argument which it is doing now, had refrained from putting the Act of 1919 into force, what would have been the result? Would it have brought about a greater political appeasement in the country? Would it have strengthened the position of the Government? I am sure that the reply to these questions must be in the negative. On everyone of these questions Government, judging the future rightly, believing that the reforms would soon create a certain amount of goodwill in the country, did not hesitate because of the opposition of political parties to give effect to the Act of 1919. Why cannot they in the same way taking into account the result, the natural result of the operation of political forces, place more faith in the people of the country and do all in their power to assure them that they are prepared to part with authority at the earliest possible moment?

Sir, I must refer here to the Conference that took place in Bombay with the object of resolving the present impasse. The resolution that it has passed has my entire support. The main demands of the resolution are two. It

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asks that the present Executive Council of the Viceroy should consist entirely of non-official Indians, that questions of policy should be dealt with by them jointly, and that the British Government should make a declaration that it will take all possible steps to place India on a footing of equality with Great Britain and the Dominions as soon after the war as possible. As in the present situation owing to the sacrifices that the country is being called upon to make the positions of the Defence Member and the Finance Member are of special importance, the Conference emphasized the need for having Indians in charge of the portfolios of Defence and Finance. The resolution cannot I think be regarded either as making excessive demands or as asking for anything which is not necessary in order to assure the country that victory in the war would result in the establishment of freedom for its own children. What the Conference has asked for is I think the minimum that the present situation urgently requires. But we are told that the Conference does not represent the main political parties though the persons who joined the Conference may have been individually of no little worth. They may be men of great weight and experience, but whom do they represent? Sir, His Majesty's Government have in connexion with this question on different occasions adopted different attitudes. When it suited them to say that India was entirely with them in the prosecution of the war they said that the opposition of the Congress made no difference to the enthusiastic support that they were receiving from people of all classes in connection with the war. But when we ask for political rights they tell us that we cannot presume to represent the country. We are representatives of the country, when we go before the people, and ask them to give money and to sacrifice their lives. But we become absolute non-entities when we ask that the constitutional rights of the people should be accorded to them with the least possible delay. Mr. Amery made a speech a few weeks ago dealing with the constitutional position in India and the attitude of His Majesty's Government. In that speech, referring to the general sympathy felt in India for the British cause, he said :—

" If this campaign (that is, the campaign of civil disobedience) strikes a jarring note, it does not affect the universal detestation in which all shades of Indian opinion including the Congress, hold Nazi and Fascist dictatorship or the general desire of all India to see the victory of our cause. It does not affect the eagerness of the recruits to come forward to serve in that cause. It does not affect the generous enthusiasm with which all classes of Indian society have contributed to every fund connected with the war. Least of all does it affect the settled purpose of His Majesty's Government to help India to overcome those internal differences which are the real obstacles to her progress towards the goal of free and equal partnership in the British Commonwealth "

Sir, if Mr. Amery used these words not merely to adorn the peroration of his speech but in order to express his sincere convictions, there is no justification for the present adamant attitude of the Government. I shall, however, Sir, address myself more closely to the objections that have been urged to the demand for immediate and far-reaching constitutional advance—

THE HONOURABLE THE CHAIRMAN (The Honourable Sir David Devadoss): Will you be very much longer?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I am afraid I shall take some more time.

THE HONOURABLE THE CHAIRMAN (The Honourable Sir David Devadoss): Then we shall now adjourn till 2-45 P.M.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Why not till 2-30 P.M., Sir?

THE HONOURABLE THE CHAIRMAN (The Honourable Sir David Devadoss): Has the Honourable the Leader of the House anything to say on that?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House): I am entirely in the hands of the House. If the House wishes to meet at 2-30 P.M., we shall do so. But it seems clear that the discussion will not finish today. In the circumstances, I do not see that there is any objection to our meeting at 2-45 P.M.

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 Sir David Devadoss in the Chair.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Mr. Chairman, I was dealing before the House adjourned with the position that we were representative of all that was best in the country when we asked for help in connection with the war effort, but were absolute nobodies when we asked for our constitutional rights. Sir, I shall examine this objection somewhat more closely now than I have been able to do yet. It should first of all be realized that the Bombay Conference has asked only for the minimum of constitutional change during the war. It has asked for the Indianization of the Executive Council, but the Executive Council will still remain responsible to the Crown. Most of the objections that are urged against the Bombay resolution on the ground that the stability of Government may be endangered cannot therefore hold water. Whatever the objections against an Executive Council responsible to the Crown may be there need be no doubt that an Indianized Executive Council will have a more representative character than the present Executive Council. Surely an Indian Member will any day be a more representative person than Sir Reginald Maxwell, and I have no doubt whatsoever that the Indianization of the Executive Council will be regarded by the country as an earnest of the Government's determination to enable India to be free as soon as possible after the war. Another reason, Sir, for the faith that I have given expression to is that the Bombay resolution has, generally speaking, been well received even by those newspapers which reflect Congress opinion. I think I am justified in saying that on the whole even the British papers in the country are in sympathy with the objectives of the Bombay Conference. Apart from this, Government must remember that the representatives of the major political parties have not condemned the Bombay resolution. Those who are entitled to speak on behalf of the Congress have certainly not done so. Why should it therefore be supposed that the moment the resolution is given effect to the major political parties will unite in order to make the new constitution unworkable? But let us suppose that the worst happens. I doubt in the first place whether any political parties, judging from appearances at the present time, would it be so unwise as to make it impossible for the new Executive Council to carry on its duties. Besides, as I have already said, the Executive Council will be responsible not to the Legislature but to the Crown. But even granting that it will owe moral responsibility to the Legislature, I repeat that there is no reason for supposing

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that the representatives of the major political parties will so far forget their duty to their country as to make the new constitution unworkable. But suppose, as I was saying, that the worst happens. It is the electorate that will then decide whether a purely negative policy should have its approval. Here again, I seriously doubt whether any political party would go before the electorate with a policy of uncompromising opposition to the new constitution. Such things have not happened in the past and there is no reason to suppose that they will happen in the future. Had the major political parties wished that Government should take no steps whatsoever at the present time and wanted to oppose the Bombay resolution, they could have made this clear long ago. I am sure that even they are waiting to know whether Government will make any gesture that will give them hope for the future. It is despair that turns every party against you, but if you change your attitude, if you make the people feel that you do not want merely sacrifices from them but are prepared to concede to them their rights, are prepared to give them the most sincere proof in your power of your genuine desire to place India on a footing of equality with Great Britain, I feel morally certain that the atmosphere of indifference or hostility in the country will be quickly dissipated. But, if the more important political parties make it impossible for the Government even after advancing in accordance with the Bombay resolution to carry on their duties, I doubt whether the electorate will support such a policy. The candidates with a programme of pure opposition will find it very difficult to make headway against those who could point out the solid advantages of arriving at a settlement with His Majesty's Government at the present time on the basis of the Bombay resolution.

Sir, the Bombay Conference has asked not merely that the present constitution be changed by the Indianization of the Executive Council, but also that the Finance and Defence Members should be Indian. Now it may be thought that in asking for an Indian Defence Member it went too far. I will only point out in this connection that had Federation been established there would have been a Civilian Member for Defence. In asking therefore for a Civilian and an Indian Defence Member the Conference has not put forward any proposition which is based on a principle not already accepted by His Majesty's Government.

Sir, the other demand of the Bombay Conference demand is that His Majesty's Government should announce that India would be enabled to achieve her constitutional freedom as early as possible after the war. I may say again that I do not forget our own unfortunate differences. If I have not referred to them, it is not because I think that they are of no account. It is a matter of humiliation, of intense shame, to us that we should be fighting among ourselves at this juncture. But if we had something constructive to do, if we felt that the fate of the country was really in our hands, if we were sure that it was for us to make or mar our future, I feel, as a patriotic Indian, that we would, realizing our duty to our country, settle our differences and present the British Government with a united demand. But differences amongst us need be no bar to constitutional progress. Differences amongst us have been in existence for a long time, but constitutional and administrative reforms have not been held up because we could not agree on some important points among ourselves.

Sir, I have so far spoken of the change that in my opinion should be immediately made in the constitution of the country in order to get the full and whole-hearted support of the country. But I should like to ask the

House to consider now from another angle what the effect of the continuance of the present policy will be. The constitution has been suspended in six provinces. If the British Government continues to stick to its present attitude, can there be any hope that the constitution will begin to function again in these provinces? Anybody can see that if the present policy is not departed from, there is no chance of a settlement between the people and the Government. What do Government propose to do in this connection? Is it their desire to resume permanently even the small powers that they had conceded to the people? Surely such a thought must make them reflect on the serious character of the policy that they are pursuing. The present situation is such as to involve practically a resumption of its old autocratic powers by Government over the major part of the country. If Government show their willingness to move forward, the provincial deadlock, if I may say so, will be resolved in the twinkling of an eye. But if they refuse to tackle the larger question unless certain conditions laid down by them as prerequisites are satisfied, I must say that they will be justly charged with having no sincere desire to part with the power that they enjoy.

What, Sir, if one looks at the present situation in a large way, what would the policy of His Majesty's Government appear to one to be? India is a large country, with a rich military and industrial potential. If its goodwill were gained, if it were fully developed it would be bulwark of strength to the Empire. But instead of courting the goodwill of the people of India Government are relying almost entirely on America to enable them to emerge successfully from the present war. I do not blame them for seeking to get American help. America is a rich and powerful country which holds the same ideals as Great Britain. It is natural therefore for the British authorities to try to seek American support. But taking a large view of the position, I venture to think that in the long run Indian goodwill will be more helpful to them than even American support. There are many complicated political Far Eastern problems in which India and India alone can help—at any rate India can give more valuable help than any country can. To give only one illustration, is there any country with a position comparable to that of India which can act as an interpreter between it and the other races in the Far East? The British people may become strong by getting American support but they will get the required moral strength only when they have India on their side.

Sir, I have so far dealt with the political situation. I shall now venture to deal with another problem which is of no less significance, the military problem. The army of a country, Sir, should, I imagine, embody its will to defend its life against all aggression. It should in other words represent the physical and moral energy of the nation. It should draw its life from the people at large and be looked upon with pride by the country as a whole. Does our army satisfy these conditions? So far from satisfying these conditions it is at the present time in the public estimation an instrument for the maintenance of British domination in this country. If His Majesty's Government are sincere in their professions that they wish India to attain to the same position which Great Britain occupies, the military problem must also be faced in a courageous way. I shall refer first to the question of Indianization. The figures that Mr. Williams gave the other day showed that there had been a substantial advance in the matter of the appointment of Indian officers in connexion with the war. But I would take leave to point out that even now the Government have chosen more officers from the tiny European community than from the vast population of this country. I hear, Sir, complaints with regard to the paucity of suitable Indians. I have no doubt

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whatsoever that many unsuitable young men present themselves before the selection committees appointed by the Government. But when I look at the manner in which commissioned officers have been chosen from the European community, I doubt whether efficiency is laid due stress on in their case. People have been taken from European tailoring establishments or European restaurants or small European stores and given commissions. In some cases they have obtained rapid promotion. On the one hand people with very poor qualifications have been chosen from the European community, and on the other complaints are made with regard to lack of initiative and character in Indian candidates. I wonder therefore whether the efficiency of Indians and Europeans is being impartially judged. I blame no individual least of all His Excellency the Commander-in-Chief. But the present system I fear inclines officers to scrutinize the qualifications of Indians much more strictly than they scrutinize those of European officers. Government take a newspaper correspondent and make him a Lieut.-Colonel in the twinkling of an eye. But if rapid promotion is asked for in the case of an Indian officer who will not be called upon to perform combatant duties, Government think that it will be setting a bad example, and lowering the efficiency of the Army. I have no doubt that this problem is engaging the attention of His Excellency the Commander-in-Chief. But I thought that I owed a duty to my countrymen in placing before His Excellency what seemed to me to be a true picture of the present state of things. Assuming, however, that Government have really not succeeded in getting an adequate number of capable young men for appointment as commissioned officers, what steps have they taken in order to obtain a larger supply of qualified men? Have they taken any steps to carry on propaganda? Have they placed themselves in touch with the Universities? Have they encouraged the U.T.Cs.? Have they done anything to rouse the patriotism of our young men? I fear they have done nothing of the kind up to the present time. I realize their difficulty. If they want to appeal to the patriotism of our boys they will have to tell them what their future policy with regard to the Indian Army will be—whether Indian officers will after the war be appointed as platoon commanders or whether they will be appointed as company officers like the British officers. They will have to say whether the policy of complete Indianization of the Army will be courageously followed and so on. They shrink probably from giving answers to these questions because their strength in this country is based not on the goodwill of the people but on force. Unless, however, they can address themselves to the desire latent in our young men to serve their country even in the most dangerous positions, I am afraid that the purpose they have in view will not be fully realized. The present political situation, frankly speaking, is having an unsettling effect on the minds of the young men. If anything is done to create a better atmosphere in the country there need be no doubt of an immediate response from the youth of the country.

I have so far spoken, Sir, of combatant officers. I would now like to say a word about technical officers. The other day I asked questions on this subject. One of these questions was answered by Mr. Jenkins. Apprentices for the Ordnance factories are recruited in the same way as special class railway apprentices who are appointed to the superior posts in the State Railways. But the apprentices in the Ordnance Department are appointed to subordinate posts. I asked why they were not appointed to superior posts, and the only reply that Mr. Jenkins could give me was that they were recruited for subordinate posts. Is this any answer at all? I know that it was not in his power to change the policy of the Government of India. But it is

a point that requires consideration, and immediate consideration, I venture to think, by His Excellency the Commander-in-Chief, who can easily arrive at a decision which will give satisfaction to the public.

Another question of mine on the subject was answered by the Commander-in-Chief himself. I asked how many superior Indian technical officers there were and what efforts had been made to train them. All that His Excellency could say was that there was one Indian trained before the war, who was officiating in a superior post! Since the war broke out, 50 technical officers have been recruited, but only 11 of them are Indians. Arrangements have now been made to provide for the training of Indian officers, but only six Indians are to be trained at a time. The Tata Iron and Steel Company is a much bigger concern than any Government Ordnance factory. Yet, as the Tatas were determined to Indianize their concern, they have succeeded in placing the Iron and Steel Company almost completely under Indian management and control. We have every reason to be proud of the patriotism and power of organization that they have shown. For their achievements they ought to receive full credit from the country. But what have Government done? The Steel and Metal Factory at Ishapore is equivalent to just one section of the Tata Iron and Steel Company. But I did not see a single Indian officer when I went there last January. Had Government been in earnest, I have no doubt whatsoever that they would have been able to train an adequate number of Indians for superior posts in the Ordnance factories. But the will has been lacking. It has been their policy to keep out Indians, and it is this policy that must be changed in order to get a full response from the country.

There are only two other points that I shall deal with in connection with this subject, and that is the recruitment for the Army and the institution of a closer connection between the Legislature and the Army authorities. Both these subjects were considered in the Assembly the other day and it is the speeches made there that have made it necessary for me to refer to these subjects again. They were not as satisfactory as the words that fell from the lips of His Excellency the Commander-in-Chief here. I do not know what is contemplated in regard to the establishment of a Defence Committee. But the debate that took place in the Assembly makes one afraid that Government may only think of consulting the Party leaders from time to time. This is not what we had asked for. This will not satisfy the Legislature. Again, we were told that there were constitutional difficulties in the way of establishing a committee. I do not know what the constitutional difficulties are. His Excellency the Commander-in-Chief will not become subordinate to the Defence Committee if one is instituted. I know that the Princes, in their gathering, asked for a War Advisory Council. But let me make it plain that we have got nothing to do with that demand. Our demand is entirely independent of that put forward by the Princes. We ask for a closer connection between the Indian Legislature and the military authorities. Federation not having been established, we can speak only for British India, and we ask for a Committee which is representative of the Assembly and the Council of State. Government may wish to consult the Princes. They can do so in any way they like. But the Committee that we have asked for must be a means of establishing more intimate contact between the Legislature and the Defence Department.

The discussion which took place on the Resolution relating to the recruitment for the army also raises doubts in my mind. I think the Defence Secretary said that while attempts would be made to give a chance to new classes when the Army was expanded, the share of the enlisted classes would not be disturbed. Perhaps the words used by him were that the opportunities that

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they already enjoyed would continue to be enjoyed by them. I do not know what he meant, but how can new classes be recruited if the old classes are to enjoy their present percentage of recruitment? I hope, Sir, some light will be thrown on this question by His Excellency the Commander-in-Chief. At any rate I hope he will be able to assure us that the interpretation that I have placed on the Defence Secretary's speech is not in his opinion in correspondence with the intentions of Government.

Sir, His Excellency said the other day that he had already taken steps to restore the Madras regiment to its former position in the Indian Army. He was also good enough to say that he was thinking of giving representation to other provinces also. May I in this connection plead the cause of Bengal? Bengal has been wholly neglected up to the present time. I hope that His Excellency considering the efficiency of the Bengal battalion and the battery of heavy artillery which he inspected the other day will give the Bengalis a permanent place in the Army. I may also plead the cause of my own province, the United Provinces. We had then, before the war, two battalions known as Brahman battalions. But they have been disbanded, partly on account of the trouble which they gave because of their orthodoxy. I understand that the ideas of the classes from which they were recruited have changed considerably during the last quarter of a century. And as the material has been fully tested, I venture to hope that His Excellency the Commander-in-Chief will restore these battalions also.

Sir, I have spoken for a very long time already. I wished to deal with the Supply Department. Mr. Jenkins is here in order to answer criticisms against that Department. I cannot, however, now deal with that subject fully, but I shall say something in order to give Mr. Jenkins something to reply to. In November last, as the House will remember, a Resolution was passed regarding the Supply Department. The Resolution which was amended at the instance of Government was of course accepted by them. It asked, among other things, for the appointment of Indians in more adequate numbers in the higher posts in the Supply Department and for the exercise of proper administrative control in its various sections. How have Government given effect to this Resolution? The Department has been recently expanded. Perhaps to be more accurate I should say that the Directorate General of Munitions Production has been considerably expanded. I believe about 47 new officers have been appointed. About 20 of them belong to the M. G. O. Branch. Of the remaining 27 officers I think only one is an Indian. Now, is this the manner in which Government propose to give effect to a Resolution which they accepted? Whatever the qualifications required might have been, I refuse to believe that men of the requisite calibre could not be secured. I know some of the reasons that have been put forward for not appointing Indians. Government wanted mechanical engineers and senior mechanical engineers are not available among Indians. Now I do not see why every officer appointed in the Directorate General of Munitions Production should be a mechanical engineer with a long experience. Is everybody in that Department performing duties which none but a senior engineer can perform? There is no other department that has been staffed on the same principle. If that were done we would have none but senior men in every department. The plea therefore that Government could not obtain senior Indian mechanical engineers cannot in my opinion be taken seriously. It seems to me, Sir, that the authorities at the top have exercised no real control over the appointment of officers. They have failed in their duty to the country and they have failed to implement the Resolution to which they were a party.

Again, Sir, take the question of control. We asked for greater control and a few days after my Resolution had been accepted by Government with a small amendment, a communique was issued increasing the powers of the very men over whom we wanted greater control to be exercised. Is this another example of the way in which Government mean to implement their promises? We are told that decentralization is always necessary and particularly at this time. I myself believe in a policy of decentralization, but a line must be drawn between decentralization and the autocracy of comparatively speaking subordinate officers of Government. Take the question of contracts. They are dealt with by the Directors General of Munitions Production and Supply. These officers enjoy the status of Additional Secretaries and are therefore competent to put out contracts of any value. Now I will ask the House to consider for a moment what this means. It means that the two Directors General whom I have already mentioned have unlimited powers with regard to entering into contracts. Is it necessary in the interests of the war that these powers should be given? So far as the bigger orders are concerned, they can not be complied with in the course of a day or two. It will take weeks and months to execute them. What harm will there be if in such a case a reference is made to Government? I have no doubt that the officers concerned are responsible officers. But I think it is wrong on principle that any officer should have the unlimited powers that the Directors General of Munitions and Supply have. I shall be told, Sir, that they enjoy no more powers than any Secretary or Additional Secretary of the Government of India does. That may be a fact, but I for one was not aware of the extent of the Secretaries' powers. We have had no occasion in which these powers have been exercised in practice. Had they been exercised I would have no doubt that the demand for closer control would have arisen much sooner. But in any case this argument is of no significance in connection with the complaints that I have made. Sir, I shall not go into this question any more. I think I have said enough to indicate what our complaints in regard to the Supply Department and the Government are.

I will say only one word with regard to our attitude to the Bill which is before us, before I resume my seat. We had a similar situation to consider last November and Members on this side of the House made it plain that while they had the fullest sympathy with the British cause they could not but register their strong protest against the attitude of Government towards constitutional changes. How could this protest be registered? There was only one way of emphasizing the intensity of our feelings. That was to vote against the Finance Bill. The Financial Secretary who spoke rather uncompromisingly towards the end of the debate on the Finance Bill asked us whether we were not guilty of inconsistency in professing to be sympathetic in theory and being hostile in practice. He asked us whether we could have a rider attached to our vote and whether we were not encouraging Hitlerism by voting against the Bill. Sir, the Financial Secretary does not seem to me to have understood the inwardness of the situation in the slightest degree. If we have to vote against the Bill and Hitler takes advantage of it, what will he say? He cannot say that the people of India are for Nazism and Fascism. He can only say that though Indians may be against Nazism, they are also exposing the hypercritical tactics of His Majesty's Government. If such a position is to be avoided, the responsibility for taking measures for the purpose rested with His Majesty's Government. It is for them to take steps to end the present stalemate and to earn the goodwill of the people. But if they take no such steps, then we cannot be charged with the responsibility of voting against the Finance Bill by any fair-minded person. I will go further, Sir, and point out that His Majesty's Government found it necessary even in their own country to take

[Sir A. P. Patro.]

How are the British people situated today? There is danger and destruction of property all round, and living itself is very unsafe in Britain. In such a condition you want Britain at present to concede to you independence, to concede to you that the whole of the Government of India should be reorganized, should be completely Indianized: and not only Indianized but that it should be altogether on the lines of what is known as the Poona resolution of the Congress. I do not see any difference between the Poona resolution of the Congress and the Bombay resolution of the Liberal Party. Therefore I say that there is no use of such resolutions. Such resolutions do not in any way construct a new life or a new condition in the country. We should face the realities. At the present moment we have the offer given to us, that the Government of India will be reconstructed with a majority of Indians and that it will not be merely as it is today with departmental heads, but that there will be what is known as the Cabinet system: and after the assurances given in the course of consultations by the Viceroy, to insist still that there should be a declaration today on the spot, immediately, that Dominion status or Independence should be granted to India soon after the close of the war shows the insincerity of the whole cause, because they know that it is impossible for the British Parliament to make any promise or give any assurance. But the promise has already been made that the whole matter of the constitution will come into the melting pot and will be considered dispassionately by all people—

THE HONOURABLE MR. HOSSAIN IMAM: *De novo*.

THE HONOURABLE SIR A. P. PATRO: *De novo* as my friend suggests. All proposals whether relating to independence or to Pakistan will be considered at that time, and not now when Britain is in trouble, when we find danger coming nearer to India, when we find the Far East in a dangerous condition, and when we find also such dreadful conditions in Europe. Now living as they are in these dreadful times, to ask them to sit down quietly and grant us our demands shows that we have not yet been able to develop the political sense that is necessary and the strength of character which is so essential. Now, Sir, what is it that the Bombay resolution wants? The organizers of the Bombay Conference are gentlemen of eminence, for some of whom I have great respect. Even they have failed to realize the realities of the case. It is this. They should move from place to place, convincing Messrs. Gandhi and Jinnah, bringing the parties together and forming a new scheme. They leave them out. And we have the other unattachable—non-party people. Most of the people are there. Yes, the masses are there. Go, approach them, through their franchise get your men elected and form a party. That would be the best method in which you should demonstrate your patriotism. Instead of that you want the British Government, rather the Government of India, to draw out the chestnuts for you. You do not move a little finger in the direction of your own people in order to bring them together. There are various classes of people who could be brought together. The whole question therefore is reduced to this—whether or not the Government should interfere and bring the mass of unattached opinion in the country together and put themselves at the head of this movement in order to advance our cause. That is the position. The whole question therefore is whether Government should not bring together the mass of unattached opinion in the country. These people should by themselves as men of the country, as friends and relations of the country, go and mobilize the forces. But they want the Government to do it. It is proclaimed on the one hand that India is responding to the war effort splendidly with men and money: but when they are

asked about political matters and asked to give us our demand, then Government is very reticent. The question is this. Already Government have got the sympathy of the masses. Once before I said that during the tours I have had in my own Presidency people have voluntarily contributed both men and money to the war fund as well as to War Bonds. They are doing it even now and will do so as long as they feel that the Government has been doing the right thing. So, while people are voluntarily responding to the call of loyalty and duty, I cannot imagine how you can say now that the educated people would do more. For these people, who have not moved their little finger to go about and be in touch with the villages and the talukas, to say that they will revolutionize the whole of the supply of men and money and that they will do it more effectively, I cannot understand. To advance that as a reason for asking for complete Indianization is a thing with which I cannot agree. The Bombay resolution, on its merits, is such that there is no difference between it and the Poona resolution of the Congress except that the Bombay resolution opines that the responsibility of the Cabinet should continue to be to the Governor General and not to the Crown directly. They want also a declaration of freedom for them, freedom which the Congress wanted for the purpose of carrying on a campaign against the British and the war efforts. That is the freedom which the Congress wanted, and a freedom is also wanted by this resolution. There is, therefore, very little difference between this resolution and the Congress resolution.

It has been asked by an Honourable Member what the British Government have done to India. I would answer in the language of a certain journal which mentions the achievements. First, the achievement of organic and constitutional unity of India as a whole, and secondly, the establishment in this country of representative institutions on a democratic basis. Sir, India must realize the great help which she has recently received from the British. India owes therefore a great debt of gratitude to our present Commander-in-Chief who has so ably and in a statesmanlike manner introduced a new system into the Army. We in India ought to recognize the changes which have been brought about to modernize the Indian Army and improve the Navy and the Air Force. In these few months there has been great life and activity introduced into the Defence Department, the Army, the Navy and the Air Force. This is no small achievement for the country at present. This will continue and grow up and the ultimate ideal will be that India will have sufficient forces to defend herself. We want that India should be capable of defending herself with the aid of Great Britain. Even with Dominion status, either of the type of that of Australia or New Zealand or Canada, it is certain that unless we are able to defend ourselves, these paper constitutions will be of no value. This is a very vital point and the changes that are taking place in the Army, Navy and Air Force must be appreciated at their proper value. I have no quarrel with anybody, Sir, but what I do say is that the Bombay Conference began at the wrong end. Instead of taking the consent and approval of the real Leaders who will be able to deliver the goods, they began at the wrong end. Those persons who had no following met together and passed a resolution in the name of the whole of the unattached population of the country. That is the difference I have got with the Bombay Conference and as such this Conference, to me, is not at all real.

THE HONOURABLE MR. E. M. JENKINS (Nominated Official): Sir, in the course of his speech the Honourable Mr. Kunzru referred to the administration of the Department of Supply and said that Government had failed to implement a Resolution concerning that Department which was accepted

[Mr. E. M. Jenkins.]

in this House. That is a very serious charge and I think it right to take an early opportunity of meeting it. The Resolution to which the Honourable Member refers advocated two things—first, the Indianization of the Department of Supply in its upper ranks and, secondly, the exercise of greater administrative control over the Department. The Honourable Member said that Government had deliberately refrained from Indianizing any superior posts and so far from improving the administrative control over the various branches of the Department, had actually, immediately after the Resolution was passed, proceeded to issue a Press Communique announcing the creation of two dictatorships manned by Directors General.

I should like to take up first the question of Indianization. As the House is probably aware, the executive portion of the Department of Supply, that is to say, the portion outside the Secretariat, consists of two Directorates General. One of these Directorates General is stationed in New Delhi and deals, broadly speaking, with general stores. On that side, I think I may say that we are now getting Indians into the new appointments that are from time to time created. Recently, speaking from memory, some 11 appointments were created and eight or nine of them were filled by Indians. From the fact that the Honourable Member has not criticized the general stores side of the Department I take it that in his opinion affairs there, in so far as Indianization is concerned, are reasonably satisfactory. The Honourable Member's main criticism related to the other Directorate General which is stationed in Calcutta and deals with munitions production. Now, in order that I may meet the criticism made, it is necessary for me to tell the House something about the work of that branch of the Department. The Director General, Munitions Production controls the Ordnance factories which were taken over from the Defence Department last July. With the factories, the staff belonging to them was taken over, and that staff is being added to from time to time. But, broadly speaking, the Ordnance factories' side of the work is manned and looked after by a block of men many of whom have been in Government service for years. Apart from the Ordnance factories, the Munitions Production branch includes Engineering Stores and deals with the civil production of munitions. Now, it is commonly believed that the civil production of munitions is a very easy task, that you merely have to go to industry in the country and say, "We want to make shells and guns and so on" and before very long these things begin to flow out of the factories. The actual truth is very different from that. There is perhaps no more difficult task than switch-

4.5 P.M. ing over the civil industry of a country to entirely unfamiliar work, and in order to get this difficult task started it is necessary to employ a team of officers who in the main must have had practical workshop experience. The Honourable Member said that if we had tried we could have obtained Indians for these posts which require mechanical engineering skill and knowledge. I should like to assure him that on the last occasion when posts fell vacant we advertized in a number of papers in almost all the provinces in India. We received some 400 replies to the advertizement and out of the 400 applicants only two were found to be qualified in any way for the appointments that we wanted them for. The difficulty is a very real one, and if the Honourable Member can put me on to mechanical engineers whether European or Indian, we shall in the Department be very much obliged to him. Like the provision of machine tools, the provision of technical personnel is one of the real bottlenecks of the war. It is very difficult indeed to get men who have the right kind of training to plan and control production in factories which have hitherto been doing work of a very different kind.

Still I hope this House will accept my assurance that real efforts have been made to obtain Indian personnel on the munitions production side, and that, if the results have not so far been entirely satisfactory, that is not the fault of Government.

I turn now to the second part of the Honourable Member's charge, namely, that although this House had asked for the exercise of better control over the operations of the Department, in fact Government having accepted the Resolution went off and created these two dictatorships which in the Honourable Member's opinion are likely to have such deplorable results. In the first place I should like to make it clear that the Department of Supply is now handling a very considerable volume of work. Last year, I think I am right in saying that the number of contracts executed was between 110,000 and 120,000. In all concerns, whether they are business concerns or departments of Government, decisions have to be taken somewhere, and officers have to be authorized to take those decisions either at their own discretion, or subject to rules. The system which prevails in the Government of India, as this House is doubtless aware, is that, subject to a code of rules which govern a few—a very few—cases, the power to decide any matter vests in officers at their discretion. When the Department was reorganized and the two Directorates General of which I have told the House were created, the question arose whether the Directors General would have to refer everything to the Secretariat for orders. Before the war the Chief Controller, Indian Stores Department and the Director of Contracts themselves exercised very wide powers of contracting, and I may say that they were not required to consult the Finance Department in exercising those powers. The Chief Controller could pass contracts up to Rs. 16 lakhs and the Director of Contracts—I am speaking from memory—could deal with contracts up to Rs. 15 lakhs. So that we were aware that in the past fairly extensive contractual powers had been exercised without apparent detriment to the administration. Now, we had given the two Directors General financial advisers, who are not there merely to advise when they are asked to do so, but are under an actual obligation to advise on certain classes of cases. So that Government thought it was perfectly safe to give the Directors General formal powers to enter into any contract without limit of amount subject to the rules which required them to carry their financial advisers with them. I understand that the Honourable Member objects particularly to the exercise of these powers by the Director General in Calcutta. I may point out that the Director General in Calcutta was for many years a Member of this House. He was Chief Commissioner for Railways and the exercise of large powers is not a new matter to him. I do not think that in the interests of the war effort Government could have done anything else. An absurd position is created if an officer of wide administrative experience who had held high office and can be relied upon to use his discretion wisely is required in every case to come up to the Secretariat.

I think, Sir, that I have said enough to convince the House that the Honourable Member's charge is not justified. (Applause.)

THE HONOURABLE SAYYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, although there is difference of opinion as to the specific items which have been subjected to new or additional taxation and difference of opinion as to the extent of the tax which has been levied, yet from the criticisms made in the Legislature and in the press the general trend seems to concede that those in charge of the Indian finance have on the whole succeeded in making the best of a bad bargain. Sir, in these abnormal times, when the deadliest of struggles is swelling up expenditure for war and

[Saiyed Mohamed Padshah Sahib Bahadur.]

defence purposes everywhere in the world and not only in countries where the struggle is raging but also in neutral countries, no wonder that the demands on the Indian exchequer should be of an extraordinary nature and it is to be admitted that the Honourable the Finance Member and the Honourable the Finance Secretary have acquitted themselves quite creditably in meeting these extraordinary demands as also in the manner in which they have done it. They have been very wise in distributing the burden partly on the present generation and partly on the future.

Now, Sir, as regards the particular items which have been taxed there is bound to be difference of opinion. I for my part would have preferred matches to have been left out. I would have preferred a tax to be levied on luxuries like wine, etc. But this is after all a small matter and, as the Finance Member said in the other House, the additional tax on matches is in essence a tax on smokers and therefore this tax mostly affects those that smoke cigarettes and cigars and not so much the poorer section of the population. For this reason there cannot be any serious objection to this tax.

Now, Sir, I would leave financial questions to be dealt with by our financial pandits who are well versed in the subject of high finance. I would address myself to other subjects. I would take up the census operations which took place recently in the country. In pointing out the irregularities and the inaccuracies which have crept into the census reports I may make it perfectly clear at the outset that I do not in any way disparage the enormous task which the census officers were engaged in. I fully appreciate the great trouble and care which the Census Commissioner had to take in making arrangements for census operations throughout the country of the size of India with its teeming millions and with diverse forces and fluctuating interests which tend to militate against the accuracy of census reports. Sir, the census reports could not be taken as presenting a thoroughly correct picture of things in India and that there are very serious inaccuracies in the reports is patent from the warning which was sounded by a number of responsible people in the country long before the operations began. Long before the census began Mr. Aney represented to the Honourable the Home Member that every possible care should be taken to see that these reports are correctly framed. He suggested that there should be a Hindu supervisor to check the work of the Muslim enumerator and that there should be a Muslim supervisor to check the work of a Hindu enumerator. It could not be said that one of Mr. Aney's sense of responsibility would have made the suggestion if there were really no justification for it. I have with me a letter written by the Secretary of the Madras Presidency Muslim League in which he has brought to notice a number of inaccuracies that have been allowed to go into the records of census officers. In particular he makes a complaint against the way in which the language has been recorded in the Madras Presidency. He says that even though Muslims in Madras stated that their mother tongue was Urdu, the enumerators persisted in recording the language under the heading H. H., as we all know, is meant to indicate Hindi or Hindustani. If only the enumerators had taken care to state Urdu instead of H, or say Hindustani instead of merely saying H, they could have made the record more correct and it would have been more easy to make out the real language spoken by the individuals concerned when compiling the Census Report. Anyone who has any knowledge of Southern India knows that no Mussalman in Madras speaks Hindi, that the majority of the Mussalmans speak only Urdu as their mother tongue, even though it might not be Urdu of pristine purity which prevails in these parts but a mutilated form of it; but after all it is Urdu. Those few Mussalmans whose mother tongue is not Urdu speak the vernacular of the district

and everybody knows that in no place in Madras, in no city, in no town or village in Southern India, is Hindi the vernacular of any people, either of Hindus or Mussalmans. Therefore when a Mussalman states that his mother tongue is Hindustani, Hindi or Mussalmani, he means that his mother tongue is Urdu. This matter was brought to the notice of the Census Commissioner long before the operations began by a resolution which was passed at a meeting of the Madras Presidency Muslim League which recommended that a new column should be opened so that people who state their mother tongue to be Urdu or Hindustani might have their language recorded under the heading Urdu. Also it was represented that any Mussalman who says that his language is Hindustani or Mussalmani or Hindi should be taken as having Urdu as his mother tongue because by all these appellations Mussalmans in Southern India mean to connote Urdu. I have brought this matter before the House so that in compiling the Census Report this consideration might be kept in view.

Just a word about the services. Nearly seven years have elapsed since the Government issued the communique fixing quotas for different communities in the services. But have the Government tried to find out how far the rules which they have framed have operated to encompass the object which they had in view? Experience has shown that these rules have failed utterly to secure due share to the Mussalmans and we find that the fears which were expressed on the issue of this communique have been confirmed by experience—fears that were expressed then on account of the fact that this new order was issued at a time when it was most inopportune. This new order was introduced at a time when the graded system of service was replaced by time scale service, and the only door left open to the Muslim was thus the door which admitted new entrants at the bottom of service. Even here experience has shown that Mussalmans have not secured their due share even in direct recruitment; somehow or other things had been managed in such a way that several vacancies which were earmarked for Mussalmans have been given away to non-Muslims. Even if this had not happened and if their due share had been secured to the Mussalmans in direct recruitment, Government should have realized that the Muslim community would have continued practically unrepresented in the higher grades of services on account of the paucity of the Mussalmans already in service. It was more because of the inopportune moment when this communique was issued that this new rule has failed to bring about the desired results. My humble submission is that the Government should now make a thorough examination of the whole question and find out whether it would not be advisable to revert to the old system of having graded service. The advantages of graded service are quite patent. It cannot be denied that people who start at some higher rung of the ladder, who are appointed as lower gazetted officers direct, bring to their work an outlook and a mentality which those who rise from the bottom of the service cannot ordinarily command. The mentality, the initiative, the drive that those who start in the higher grades of service bring to the discharge of their duty, is altogether different from the outlook which those who rise from the ranks bring to the discharge of their work. It is therefore not only in the interests of the Mussalmans and those communities who are under represented in Government service, but also in the interests of the administration of the country that this system of graded service should be reintroduced. Just a word about how promotions are more often than not denied to the Mussalmans. A Mussalman who has got to get his promotion is somehow or other damned, on account of some reason or other. Even if there is no defect in the way in which he discharges his duty, something is said about the lack of

[Saiyed Mohamed Padshah Sahib Bahadur.]

experience in work of an important nature. If the Mussalman concerned has not had experience of any important work it is not his fault. It is the fault of his office which has deprived him of the opportunity to be put upon important work in the office. The very fact, Sir, that these excuses are resorted to so commonly and invariably in the case of the Mussalmans gives reason to doubt as to the truth of these allegations. Those Mussalmans, Sir, who have occupied the highest positions in the country have acquitted themselves in a way that they have proved themselves second to none in their intellectual calibre and in their ability to discharge any kind of duty however difficult or onerous. It is therefore very surprising, Sir, that we should have this so-called phenomenal inefficiency among those Mussalmans who otherwise should be considered quite eligible for promotion. Therefore, Sir, to obviate all these objections and infuse a sense of satisfaction among those classes and communities in India who are under-represented in Government service, it is highly essential that the graded system should be introduced so that people of extraordinary merit and real intellectual calibre may be started in the higher ranks of the service as gazetted officers and be given a chance to rise higher by proving their mettle in the discharge of their duties. It is high time that the Government should revise the present method and replace the time scale by the graded system. This will go a long way in redressing the grievances of those who are under-represented in the higher grade of service and will also save the heads of the departments from much of the blame which is now laid at their door but which is really due to the present time-scale system.

Now, Sir, just a word about the representation of Mussalmans in the High Court Bench in Madras. Sir, according to the communal proportion in Madras, one out of every six appointments has got to go to a Muslim. Now in the High Court you have got 14 Judges while there is only one Muslim there as a Judge, and even this incumbent happens to be not a Madrasi. On this account we do not discredit him. On the other hand, Sir, we all feel that he is an acquisition to the High Court Bench, and it is very refreshing to find that he commands both the respect and confidence of all the people in Madras, Muslim and non-Muslim. We do want him to be there, but what we wish to impress upon the Government is that if any new appointment is made in the High Court, Government should take into consideration the claims of the Muslims for appointment to the High Court Bench, and in doing so I would request the Government to consider the claims of the local Muslims—Muslims of the Madras Province, among whom there are a number of people who are quite able and efficient to discharge the duties of a Judge of the High Court.

Now, Sir, just a word about the political situation. Everybody will concede that the present state of things is far from satisfactory, that something has got to be done to resolve the existing political deadlock. It is necessary not only to bring about a better state of things in the country, but it is necessary also for an intensification of the war effort. Everyone who realizes that this war is one which is menacing the whole civilization realizes also that the kind of atmosphere that is now in the country requires to be much improved. It cannot be denied, Sir, that India as a whole is behind the war effort. But the enthusiasm and the keenness that should be there to create the proper atmosphere for intensifying this war effort is not there, and it will be created only if the people are made to realize that they have a hand in the administration of the country; that they are given a share in deciding the defence problems of their own country. But in doing so, I would impress upon the Government that there would be no use in merely trying to enlarge

the present Executive Council. Even though I have very great respect for my Honourable friends who participated in the Conference in Bombay, I feel, that an expansion of the Executive Council by adding to it only such persons as have participated in the Bombay Conference will not be of much avail. It may not mean any improvement on the present state of things. It would only mean a larger body than what we have now in the Government. If there is to be a real change, if the people are to be made to realize that they are given a real hand in the governance of their country, an attempt has again to be made to bring in the representatives of the principal political parties in the country. So far as the Muslim League is concerned, Sir, the Muslim League has already declared that it is ready and willing to co-operate with the Government provided it is admitted on honourable terms. It does not insist that Pakistan should be conceded here and now. It does not insist that all the future proposals that it has formulated as regards the new constitution should be implemented just now. All that it has demanded is to be given an honourable share in the governance of the country. Therefore, Sir, I feel that an attempt has got to be made to see whether the demands of the Muslim League could not be satisfied, and whether by conceding the reasonable demands which the League has made it would not be advisable to ensure the whole-hearted co-operation of the great Muslim Party which has such influence throughout the length and breadth of the country. The Muslim League, Sir, has made no secret of the fact that it realizes this war to be a war in which India is involved. Even though it had refused to participate in the Government, it has allowed every latitude and liberty to all individual Muslims to do what they could in helping the war effort. It is on account of this, Sir, that we find that Muslims all over the country are contributing to the best of their ability and are doing their uttermost in helping the war effort. I feel, therefore, that every possible attempt should be made to see that the present deadlock is resolved and those of the principal parties in the country who are willing to come into the Government on reasonable terms should be made to come in.

THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA (West Bengal : Non-Muhammadan) : Sir, the debate over the Finance Bill has, as might be expected, ranged over a wide field. But I will restrain the natural impulse of touching upon a variety of subjects, and merely confine myself only to a few observations of a general nature.

The huge deficit which stares us in the face is the most disquieting feature of the Budget. It will generally be agreed that this deficit must be covered up; but the difference arises as to the way in which this should be done; and it is here that many of us, representing the public, do not see eye to eye with the Government. The Finance Member has imposed a large number of taxes to make good the deficit, but I should like to submit in the first place that all avenues of due economy in civil expenditure ought to have been rigidly explored, before a proposal of further taxation entertained. The pruning knife ought to have been mercilessly applied to the progressive over-growth of civil expenditure, so as to avoid as far as possible the unpleasant task of new imposition. But I am afraid this has not been done. Honourable Members might remember that some years back, a number of Retrenchment Committees were called into being, at the instance of the Government themselves, to explore all possible avenues of retrenchment over the whole field of expenditure, not excluding the military; and the result was a somewhat drastic curtailment of expenditure.

[Kumar Nripendra Narayan Sinha.]

It will be an interesting study, if an attempt be made—and I invite the Government to the task—to find out what was the total amount of expenditure which was actually curtailed as a result of the retrenchment examination; and the amount to which it has grown since then. Had it not been for the stress imposed upon the Government on account of war conditions, I would have seriously recommended a resurvey of our entire financial position. But the abnormal situation of the present times precludes us from making the attempt. Nonetheless, I would strongly urge upon Government the paramount necessity of keeping down civil expenditure to the lowest possible ebb, consistent with the dictates of efficiency. I will mention here two instances at random. In answer to a question in this House on the 25th February last, a statement was laid on the table, showing the names of officers drawing a salary of Rs. 500 per month and more; and the salaries which they were drawing before their appointment in the Supply Department. This statement affords an interesting revelation inasmuch as it shows that in quite a large number of cases, the officers who have been drafted into the Supply Department, have been given salaries much in excess of what they were drawing before. When the public are being called upon to shoulder the burden of the war; and to undergo sacrifices, may I ask why these officers have been given more pay? What is the sacrifice which they have been called upon to make? Is this an instance of their self-denial, and a sample of their public spirit? If they could not work in this country in a civil capacity without more pay, they have no business to be where they are. The appeal of the Government for money and sacrifice from the general public for the successful prosecution of the war would be reduce to hollow mockery when officers in the higher grades of the Supply Department and elsewhere are being given fancy salaries for fanciful works. Another point to which I wish to refer in this connection is the forthcoming Simla exodus. What an enormous amount of money this move of Government involves? Sir, I take it that in the name of economy, the autumn session of the Central Legislature was not held in Simla last year; and the same is the case for the future as well. But is it realized that the cost of holding a session in Delhi is appreciably much more than in holding a session in Simla by reason of the motor car allowance that a session in Delhi involves? A question on this subject was asked in the other place some years back, and the official reply is on the record, which proves the correctness of my contention. Sir, in any case, there is no meaning in having a session of the Central Legislature in Delhi, almost at the fag end of the year and at the same time continuing the official and departmental costly exodus to the hilltop. Sir, when our beloved King Emperor and Queen Empress, not to speak of the Prime Minister of England and other dignitaries, could bear the peril and suffering of London life, amidst showers of incendiary bombs and high explosives, could not our high officials here be expected to suffer a little prickly heat in Delhi in the interest of national economy and in the discharge of their abnormal and high responsibilities due to war? The danger zone is advancing gradually towards the borders of India, and it is of the utmost importance that the Government should not cut themselves adrift from the main currents of public life and public opinion, and take shelter in the cloistered seclusion of Simla. The decision of the Government on the question of exodus will be an acid test of the sincerity of their professions.

Sir, I started my observations by referring to my belief that by due economy in civil expenditure, the huge deficit revealed in the Budget could have at least been partially covered; and the necessity of imposing all these taxes

would have been avoided to a great extent. Another remark which I should like to make in this connection is that money should have been raised by borrowing rather than by the imposition of fresh taxation to cover up the deficit; as it is more equitable to have spread the burden over two or more generations than throw the entire burden on the present generation, which a recourse to direct taxation involves. It should also not be forgotten that the limit of direct taxation has been almost reached, and it could go no further. If at all, a little margin might have been left for cases of urgent and unforeseen emergencies, which could not be visualized at the present moment.

Sir, I now refer with a profound feeling of disappointment to the fact that no serious and sustained effort has been made by Government towards the development and expansion of the Indian mercantile marine, or Indian shipping in coastal and overseas trade of India. This has been a long-standing and legitimate complaint ventilated both inside and outside the Legislature. This national industry richly deserves all the encouragement at the hands of the Government; but its neglect is a sad fact which is recorded in the pages of current Indian history. Sir, if even during the stress of war conditions, our national industries do not spring up and develop, and obtain a permanent footing, Government cannot escape the reproach that they have not the sincere interest of the country at heart.

Sir, it pains me to see that the enormous and limitless man power of India is not being fully and properly mobilized for war efforts. I am afraid our Government are lacking in imaginative and constructive statesmanship. They are incapable of seeing beyond the tip of their nose. They fancy that a fully equipped Indian Army will be a danger to their own authority. And this is only natural, for, as the poet has said it is conscience that makes cowards of us all. Distrust begets distrust, as trust begets trust. Sir, the sight of the common danger that threatens us ought to unite us to a common effort to overcome that danger; and it is in that view that I advocate the militarization of India; and here the Government ought to lend us a generous and open hand. They ought to mobilize public opinion, and associate representative Indians more closely with war efforts; for in the successful prosecution of the war lies the political emancipation of India. Victory of England and the Allies means the victory of democracy over the dark forces of barbarism and naked despotism.

Sir, I now close my speech with a handsome compliment to His Excellency the Commander-in-Chief who, on the floor of this House the other day, paid a remarkable tribute of eulogy to the magnificent part played by Indian troops, along with the troops of the British Commonwealth, in North Africa and other theatres of war. These soldiers are today writing history at the point of their sword; and every Indian is richly proud of them. I appeal to His Excellency the Commander-in-Chief to take early steps to wipe out the distinction between martial and non-martial classes, and throw open the field of recruitment irrespective of territorial restrictions. "War must be won"—that should be slogan today, and with these words I resume my seat.

THE HONOURABLE MR. N. K. DAS (Orissa : Non-Muhammadan) : Sir, for the third time this House has been asked to pass a Finance Bill based on a war budget, a Budget that provides 80 per cent. of its revenue for war. And how is this going to be utilized? A few more planes and tanks, bombs and shells, guns and rifles, men and materials—that is all that is sought to be

[Mr. N. K. Das.]

provided for the defence of this vast territory. May be these are all that a present-day war demands. But is that all? If that would have been all, France would not have fallen nor China withstood. France with her ten years revenue spent on her Maginot Line lacked something that tiny China with her none too rich resources could commandeer so effectively. Above men and munitions it is the morale that matters. Forty crores of Indians determined to fight to their death are bound to prove invincible to any power on earth. France failed where China won. Alike Germans on the day of Versailles, I would say, a nation of 40 crores may be attacked but cannot be defeated. But what has the Government done to create that mentality, to raise that morale, to engender that enthusiasm? Precious little, I feel prompted to say. A few crores of money for war funds and in war bonds and a few lakhs of men for war services, that is all that the Government can boast of. But pertinently, how insignificant is this all in comparison with the mighty resources of a combined force collected through years of preparation. Money and materials, they have no doubt their value, their importance, but the supreme factor above them all is the morale. It is here that India has lacked so far; it is this that His Excellency the Commander-in-Chief has failed to commandeer so far. Let His Excellency commandeer this and the victory will be his. But that seemingly is not what the Government thinks. It is here that we urge a change. It is this that makes the Finance Bill a fiasco. We are asked to sanction the raising of a few crores in the year to come. That will scarcely be sufficient to meet the demands of a few days of fighting. But what then? It is, therefore, the enthusiasm of the people that must be roused and people must be made to feel that it is their own war and that it is not an imposed war. You have not attempted anything of that sort as yet, although it is too late in the day; and when you have attempted to do it in a half-hearted manner people have been looking upon you with eyes of suspicion on account of your broken promises and sham pledges. You have a long series of these to your credit, ever since the British first came into India. The other day the Viceroy offered to expand the Executive Council with available material. He offered to implement a War Council and associate British India and Indian India in it; but what came out? Nothing. Because nothing was actually meant to be conceded. The British will not part with power in favour of those over whom they have ruled. Sir, "Do to others as you wish to be done by" is a very well-trying maxim, and you can expect from the people of India just as much as you have done to them. Trust begets trust, as my friend Mr. Hossain Imam said the other day, and suspicion is bound to beget suspicion. You have never trusted the people of India, and do not want to do so even at this sore hour of your need and is it strange that they look upon this war as a war that is being fought for your ends with their money and materials? Here is a budget placed before us for sanction, a budget which is more a military than a civil budget. Rs. 84 crores are detailed to be spent on war efforts, on a war alleged to be fought for India. This abnormal percentage has landed us in a large deficit and several items have been taxed in order to partially make up this deficit. The several interests affected have been very loud in their protestations and complain that the industries concerned are being pulled down. It is perhaps true that the burden of tax is much too heavy, but the most patent and palpable fact remains that instead of taking advantage of the opportunity afforded by the war to improve the existing industries and implement new ones with a view to the future prosperity of the country, the Government have taken out the cream from all by way of the 66½ per cent. excess profits tax—the cream which was so essential for infusing real vitality into these industries.

I would take this opportunity of saying a few words about the war efforts that are being made in the province which I have the honour to represent in this House. There is a Provincial War Committee and several District War Committees. It was at one time thought by some that an Oriya battalion should be raised. This eventually was resolved down to finding ten men of the same caste to go into the 11th Hyderabad Regiment. In a few months even this was abandoned as impossible. I may be told that this is due to lack of enthusiasm among the people. Yes, exactly. And more of this is due to the improper way in which this recruitment is being handled by Government servants in whom people cannot confide. These efforts should be left in popular hands in order to be effective. If, as efforts had been made in my province to form a Coalition Ministry, this had come into being, I dare say the Oriyas would not have been far behind Bengal in raising a battalion or even a regiment of fighting men. Mass enthusiasm would have been properly aroused.

Then, Sir, the publicity bureaux have yet done very little in the matter of propaganda. I wish they would have publicity in all important and principal languages, and I consider that a language spoken by a million men in Orissa is certainly an important language.

Then, Sir, coming to smaller questions, I may be excused for indulging in narrow provincialism, but it perhaps cannot be helped. It is indeed unfortunate, Sir, that in the Publicity Bureau—and for the matter of that, in all the Central Services under the Government of India, in Central Excise, Customs and other various branches and Departments—there is not a single Oriya appointed. My unfortunate province, Sir, has been tagged to the tail end of this province and that ever since the British rule and then when it was formed into a separate unit, the popular Government which was in the way of doing real good to the country disappeared and as a result of that my province was consigned to the age-long neglect that has been its unfortunate lot. Sir, because of this neglect the B. N. R. authorities, who have been approached several times have not cared to take in a single Oriya into their superior grades in spite of persistent agitation and deputations and the cause of my province has not advanced a bit.

This is the sad story of my province, Sir, and similar is the sad story here in the Government of India. People have known the Government of India too well to confide in them. Sir, I do not see any other way but to register my protest for all such omissions and commissions as the Government is guilty of by opposing this Bill.

CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE THE CHAIRMAN (The Honourable Sir David Devadoss): I have to inform the Council that as a result of the election held today the following six non-official Members have been elected to serve on the Central Advisory Council for Railway:—

1. The Honourable Sir David Devadoss.
2. The Honourable Haji Syed Muhammad Husain.
3. The Honourable Rao Bahadur K. Govindachari.
4. The Honourable Nawabzada Khurshid Ali Khan.
5. The Honourable Sardar Buta Singh.
6. The Honourable Kumar Nripendra Narayan Sinha.

STATEMENT OF BUSINESS.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House) : Mr. Chairman, there is still a long list of speakers on this Bill and I was going to suggest that, with your approval and the concurrence of Leaders of Parties, which I gather has already been ascertained, the House will meet tomorrow at 10-30 A.M. instead of at 11 A.M., if there is no objection.

The Council then adjourned till Half Past Ten of the Clock on Friday, the 28th March, 1941.

COUNCIL OF STATE

Friday, 28th March, 1941.

The Council met in the Council Chamber of the Council House at Half Past Ten of the Clock, the Honourable the President in the Chair.

MEMBER SWORN :

The Honourable Mr. D. N. Mitra (Nominated Official).

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

SECRETARY OF THE COUNCIL : Sir, a message has been received from the Legislative Assembly. The message runs as follows :—

“ I am directed to inform you that the message from the Council of State to the Legislative Assembly desiring its concurrence in a Resolution to the effect that the Bill to make better provision for the administration of Masajid and the Endowment of the Jama Masjid, Fetehpuri Masjid and Kalan Masjid of Delhi, be referred to a Joint Committee of the Council of State and of the Legislative Assembly, and that the Joint Committee do consist of 12 members, was considered by the Legislative Assembly at its meeting held on Thursday, the 27th March, 1941, and that the Resolution was concurred in by the Legislative Assembly with the substitution of the figure “ 14 ” for the figure “ 12 ”.

INDIAN FINANCE BILL, 1941—*contd.*

THE HONOURABLE THE PRESIDENT : Honourable Members, before we proceed with the legislative work I wish to point out that I propose to call upon the Government Member at 4 P.M. this afternoon to wind up the debate, and I trust that before that time all the principal speakers will have completed their speeches. I also wish to point out that it is not the usual practice of any House that every Member present should have an opportunity of speaking. I have tried during the time I have held office to afford every possible and reasonable opportunity to Members to speak. But it depends upon Honourable Members to mark time and to be as frugal in time as possible. As regards the Government Member, he would have little to say this afternoon, because from what I have seen yesterday most of the speeches made were of a political character and had nothing whatsoever to do with the Bill before the House. Therefore I presume that the Government Member will not see the necessity of replying at length to political speeches.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, India has been declared a belligerent country and she has to bear the burden of taxation whether she likes it or not. The questions whether the taxable capacity of India has reached the maximum limit, whether new sources of taxation can be tapped, whether India has been able to bear the taxation are questions decided by a foreign Government which is not only not responsible to this Legislature, but is also not responsive to public opinion in India. Judging from this point of view, Sir, the Government has made

[Mr. V. V. Kalikar.]

the best of a bad bargain, though I think there are cogent reasons for asking the Government to consider their policy of taxation, and to see whether if money is needed for the war efforts and for the purpose of the militarization of India, new source of taxation can be tapped. We must thank the Government because they have not imposed further taxation on us, and therefore we should not in any way grudge giving money for the defence of India. But, Sir, the question is whether we give the money willingly or unwillingly. The Government have power to take money from our pockets, but we claim that we should be associated with them in getting the necessary funds for militarization of India. India however finds that her aim has not been achieved in so far as the co-operation of public opinion in India is concerned. India wants to co-operate in Britain's war efforts, but on honourable terms. But the British Government have made no serious attempts for getting the willing co-operation of India in the prosecution of her war efforts. I should address myself for a moment to the history of the last 16 or 18 months since the outbreak of the war and see what efforts the British Government have made for getting the real and active co-operation of Indians in the matter of the prosecution of the war. First, Sir, there was the declaration made immediately after the outbreak of the war for establishing a Consultative Group. Sir, that declaration did not find support with the major political parties in India, and under that pretext that declaration was not given effect to. Then, as the result of the debate in the House of Commons on the Motion of Mr. Wedgwood Benn, there was a further declaration on 5th November to the effect that the British Government wanted a temporary expansion of the Central Executive Council, and attempts were made to rope in public opinion. But that idea also was dropped and no further progress was made to put into practice that scheme. Then the famous declaration of August 8th was made. In that declaration it was admitted that the major political parties in India had not agreed and that it was still open to them to unite and accept office in the Executive Council. The question is whether all these declarations made by the British Government or their spokesmen in India were made with a genuine desire to associate public opinion in India with the war effort? To a layman like myself it seems that a pretext or an excuse was found to drop all constitutional reform, however important it may be, and to carry on the one man's show in the Central Government as well as in seven provinces. I make these remarks after taking into consideration the past history of constitutional reforms in India in spite of the opposition of the political parties in India. The Montford Reforms were introduced though the British Government knew that they were not liked by the Congress and some other parties. Though the reforms were boycotted and the Congress did not enter the Legislatures, still the British Government could find men to work the reforms, and the reforms were implemented and the Act came into force. The Congress recognized their mistake after a very long time and then they returned to the Legislature and ultimately declared that as the Parliamentary idea has come to stay in India, they ought to take advantage of the reforms. Then we come to the present Government of India Act. When the proposals on which the present Government of India Act is based were published through a White Paper was there agreement between the major political parties in India? Is it not a fact that the proposals embodied in the White Paper were opposed by all political parties in India? I want to ask the British Government whether they found agreement in the three Round Table Conferences among the major political parties in India. Then the Joint Select Committee's Report was published. Would the British Government say that the Joint Select Committee's Report was received with

great enthusiasm by the political parties in India and accepted by them? Then came the Communal award and the Government of India Act. Is it contended by the British Government that the Communal award and the Government of India Act which is based on the Communal award were supported by the major political parties in India? Let us go a step further. Even after the passing of the Government of India Act, the major political party in India, the Congress, did not accept it and remained out of office for two months. You established interim Ministries during that period. Is there any provision in the Government of India Act under which you could establish interim Ministries? The whole trend of events will show that you wanted reforms to be introduced and you found out ways and means to overcome the difficulties. But, after the outbreak of war, you decided that Indians should not be associated with you in carrying out your policy. Unfortunately, Sir, for want of political sagacity on the part of Congress, you took advantage of my countrymen's giving you indirect help and did not allow the Executive Council to be expanded on one pretext or other. You say that the offer of August, 1940, is still open. But in that very offer you have given the right of veto to the minorities. Is it contended seriously that the major political party in India should concede to the demand of vivisection of India made by another party? You have been encouraging the minorities for the last 25 years and the result is they have passed a resolution about the vivisection of India. So, it is not the Congress or the Muslim League that is mainly responsible for this political deadlock, but equally the British Government is responsible for it. If you really desire to end this political deadlock and to associate public opinion in the direction of your policy about war efforts, it is your duty to come out with an offer to those who are willing to co-operate with you in the successful prosecution of the war and to get them in and carry on the policy according to their wishes. Sir, ex-Members of the Viceroy's Executive Council have again attempted to show you the proper path. Men like Sir Tej Bahadur Sapru, about whose integrity and character nobody can question, have come out with the desire to help you in your war effort, to end the political deadlock in the country and to create enthusiasm amongst Indians by telling them that the war is not the war of Britain only but the war efforts have to be assisted by Indians also. They have made an offer and it is for you now to decide once for all whether you will accept that offer or not. It may be said, Sir, that the Bombay leaders have no representative character. In fact that has been said in some quarters. Sir, the leader of the Hindu Sabha, the leader of the Hindu League, the leader of the Liberal Federation, were parties to the resolution that was unanimously passed at Bombay. Can anybody doubt the representative character of these three gentlemen? Sir, they have made it plain that they are not out for jobs; they have made it clear that if after the scheme propounded by them in their resolution is put into effect the two major political parties in India agree to work in the Central Executive Council, they will be ready to vacate their place. Sir, they are not hunting for jobs; they are out to end the political deadlock with a view to help India's war effort and to protect India from foreign aggression. Sir, I want to know the attitude of the Government of India on the Bombay resolution. Do the Government of India really desire that public opinion should be associated in the direction of the war effort or not? It is no use trotting out an argument that it is not in the public interest to disclose what sort of advice the Government of India have given to the Secretary of State or to His Majesty's Government after the Bombay Conference. The Government of India ought to state what advice they have tendered. If they do not the public may reasonably infer that the Government of India as a whole do not like the association of public men in the administration of this country during the emergency period.

[Mr. V. V. Kalikar.]

Sir, it may be said that in spite of all the efforts on the part of the leaders who gathered at Bombay they have no following in the country and therefore their advice cannot be given effect to. As I said just now the following of the three leaders I mentioned consists of a vast mass of the population, and just because the Congress and the Muslim League do not want to enter the Executive Council or to direct the war policy at this juncture, the help of these leaders should not be rejected. Sir, discordant voices have been sounded and are being sounded about the Bombay resolution. It may be from interested quarters, the voice may come from quarters which always support the Government in season and out of season. I have reliable information in my possession to the effect that some gentlemen who were not invited to the Bombay Conference have begun to belittle the resolution and to challenge the representative capacity of the leaders who attended. But I must warn the British Government that if they continue this hide and seek game, if they put forward pleas and excuses to avoid giving effect to the resolution of the Bombay Conference, they will stand condemned at the bar of public opinion in the world. If you want democracy, if you are fighting really for democracy, then you have also to take into your confidence leaders of the people for the successful prosecution of the war. Sir, it is most unfortunate that some discordant voices are sounded by some of my countrymen even in regard to the modest demand of the Bombay resolution. But in India we can always find men who, not out of their own conviction but because of their personal needs, will support the Government when the Government adopts a particular attitude. I therefore warn the British Government not to listen to the advice of those interested persons but to give effect, and immediate effect, to the Resolution of the Bombay Conference and see that the policy at the centre is directed according to the advice given by eminent public men in India and not directed from Whitehall and that there is not one man's show any more. I am not in a position to support the Bill, though I do not attack the taxation proposals. I am myself a co-operator. I have been supporting the war efforts of the Government, but I think this is the proper forum wherein I can ventilate my grievances and register my protest against the inaction, the distrust, of the British Government and therefore, Sir, I am obliged to oppose this Motion.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan): Sir, before I begin my observations, I feel proud that our Indian regiments have been able to capture Keren and Harrar. I offer

11 A. M. congratulations to them and also convey my admiration for the traditional bravery of the Indian troops engaged in Africa who have contributed to the decisive victory which the Imperial forces have secured over the Italians. It is not only in North Africa and in Somaliland and in Abyssinia that our Indian forces have been showing their traditional heroism, but my information is that during the Boer War Indians were mainly responsible for the victory in East Africa.

My esteemed friend the Honourable Dr. Kunzru dealt with the political situation of the country at length and I would not take much time of this House to dilate on that subject. I only want to make a couple of observations as far as the political situation is concerned.

Sometime back, say a decade back, the general masses had great respect for the rulers, I mean the Governors and His Excellency the Viceroy. What do we find now? We find that before His Excellency the Viceroy or Their Excellencies the Governors are allowed to go out of their residence, hundreds and sometimes thousands of police are deputed to guard the route. That

fact surprises and pains us all. Has the Government been able during the last so many years to find out why that heavy loss in prestige has occurred and how that prestige can be regained?

Then, Sir, I have been, during the 29 years of my life in the Legislatures, always pointing out to the Government the defect in the present system of education. I generally describe the present education as Godless. The products of the universities and the schools are not what similar products in other civilized countries are. Therefore many Indians send their boys to England, to Cambridge, to Oxford and other Universities for education, rather than educate them in India. Ever since the portfolio of Education was established in the Government of India, the value of real education has considerably gone down. Now as we have an eminent Member in charge of Education, I will draw his attention to the fact, that the present system of education, rather Godless education, requires revision, so that the products of the colleges and schools may compare favourably with those in other civilized countries of the world.

Then, Sir, I come to the matter of discriminatory legislation in provinces. Where discriminatory legislation is being put on the Statute-book and it is a pity that notwithstanding provision in the Government of India Act, the Governors, generally speaking, are not withholding assent to such measures. I am one of those who value highly the British connection and I feel that any cause which leads to discontent must be removed. In the days of the present great war we need the full co-operation of everyone. What is the Government doing to secure that co-operation? The economic condition of the country is going down every day. Taxation is imposed to the highest limit which Indians cannot afford in proportion to their income. Big aristocrats, like His Highness the Maharajah of Darbhanga, while making observations on the Budget lately gave frank expression to his real inner feelings. Why is there a change of mentality going on so fast in the country and even the magnates of India are being forced to change their views and feel discontent?

Sir, how has His Majesty's Government treated India as far as the disposal of raw produce of the country is concerned? Apart from the closure of markets, the absence of shipping tonnage and the quota restrictions arising out of the methods of economic warfare, the plight of the Indian commercial people is becoming miserable. The British Government have followed a policy in the case of India's raw produce different from the one they have been following with regard to the primary produce of South Africa, Australia and New Zealand, and even of a non-Empire country like Egypt. With a view to help Egypt's agricultural economy an agreement was entered into with the Egyptian Government under which the British Government contracted to purchase the entire Egyptian cotton crop during the war and one year thereafter at prices considerably higher than of the crop bought during several recent years. What have they done for India? The Honourable the Finance Member himself admits that prices since the war have gone down by 40 per cent. Sir, the prosperity of a country depends upon the economic condition of the masses. Over and above that, the British Government agreed that in case of loss, they will not ask the Egyptian Government for any share in such loss. On the other hand in case of profit accruing, the benefit of the profit will be shared by the Egyptian Government for the improvement of their cotton crops and industry. Similar agreements were entered into by the British Government with the Governments of South Africa, New Zealand and Australia in respect of entire wool clips. The prices paid under the agreement were 40 per cent. higher than the pre-war prices. For example,

[Rai Bahadur Lala Ram Saran Das.]

for the 1939-40 South African wool clip a price of 11·8d. per lb. was paid compared to 8·3d. per lb. for the season preceding the war. We do not find that here, Sir. Instead of Government buying the crop and helping the poor cultivator, they have done nothing in the matter with the result that the prices of the produce have gone down. Recently there has been a little rise, but we do not know whether this rise will be maintained or not. When the British Government has been so generous to the Dominions and Colonies, why has that generosity not been extended to India? I would like, the Honourable Member to explain why there is this discrimination in policy as compared to various countries under the British Empire?

Sir, everyone of us knows the plight of the Indian sugar industry. There has been a quota of so much, and there has been a restriction to the export of sugar, while on the other hand His Majesty's Government has agreed to purchase the entire exportable sugar crop of Australia, the Union of South Africa, Mauritius, Fiji, and British West Indies. This agreement involved a total quantity of about 18 lakhs of tons of sugar, and these sugar-producing countries would be able to dispose of about two lakhs of tons more than was the case under the International Sugar Agreement. Why is this differential treatment in the case of India? We want His Majesty's Government to be impartial in this respect and to extend the same generosity to India as they have been extending to other Colonies and Dominions. The condition of our agricultural people is going down owing to the fall in prices. The Government policy on the other hand, instead of increasing the prices, has had a depressing effect.

Sir, now I come to the absence of shipping tonnage. The country has been agitating for a long time past that Government should encourage the establishment of shipbuilding yards. We appreciate the action of the Government in helping in the establishment of an aircraft factory at Bangalore, and I take this opportunity also of thanking His Excellency the Commander-in-Chief for placing an order for a certain number of aeroplanes with this factory, which shows that the Government after all has extended patronage. But as regards shipbuilding yards, the Scindia Steam Navigation Company, I understand, wanted to establish a shipbuilding yard at Calcutta; but the apathy of the Port Commissioners there led them to give up their Calcutta scheme, and thus forced the Company to shift their shipbuilding scheme to Vizagapatam. In case, Sir, Government had allowed shipping yards to develop in India in the past, the present emergency would not have arisen and the closure of foreign markets would not have come about owing to want of shipping. However, Sir, nothing is too late, and even now when Government is realizing the results of their blunder they should come forward to undertake such like measures which will help India in defending itself and in defending the Empire.

Sir, at the beginning of the war, the British Government did not appoint the Indian Government as their agent to buy groundnuts. Groundnut is one of the principal commodities of export from India. What was the result of that? Although the price paid for groundnuts was £10 sterling a ton, the poor Indian exporter only got £7-10-0 to £8 a ton. I see that the British Government became wiser later and began to buy their requirements through the Government of India.

Then, Sir, I come to industrialization. We all feel very grateful to the Honourable Sir Ramaswami Mudaliar, the talented Commerce Member who was mainly responsible in establishing the Board of Industrial and Scientific Research and the War Export Council in India. But this matter was delayed

for a number of years. During the last war the British Government did appoint a similar Research Board in the United Kingdom and that this Board was given a grant of £1,000,000 and made it permanent. I wish that the Government of India also will be so generous and wise as to make this Board a permanent body. After the war there is bound to be a slump and industries in their present weak financial position cannot pay taxes. In the United Kingdom the British Government has established an Industrial reconstruction Council and they have employed Sir Charles Innes, a retired gifted Commerce Member of India, as the head of that Department. May I know what the Government of India has done in this respect? This is rather a very important matter and I hope the Government of India will follow the example of the British Government and establish an Industrial Reconstruction Council in India.

The Secretary of State for India made a statement that India was highly industrialized. With due deference to him, my information is that the statement was not correct. What is the index of our industrial progress? It is the consumption of coal per head. What do we find there, Sir? The per capita consumption of coal in India in 1936 was 1 metric tons as compared with 3·5 to 3·9 metric tons per person per year in the British Isles and 2·5 metric tons in the United States, Belgium, Canada and Germany. That shows the difference in industrialization of the various countries.

It is a matter of great satisfaction, Sir, that the Government of India has appointed more Trade Commissioners. But India demands much more than they have done. We have been asking the Government to appoint Agents in Trinidad, Jamaica in the West Indies. A Royal Commission was appointed to go into the constitution of the West Indies but, so far as my information goes, the question of a Trade Commissioner and also an Agent at Trinidad, Jamaica in the West Indies has not yet materialized. The sooner Government does it the better.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: The Government of India have done nothing about it.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: That is my grouse. The Government of India may have looked into the matter, but Whitehall might have turned down the proposal, as generally is the case.

THE HONOURABLE SIR ALAN LLOYD: May I ask if the Honourable Member is referring to any proposal for the appointment of Trade Commissioner? May I ask if he is suggesting that Whitehall has turned down a proposal for the appointment of a Trade Commissioner?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I am supporting the proposal that we want an Agent in Trinidad, Jamaica in the West Indies.

THE HONOURABLE SIR ALAN LLOYD: But the Honourable Member suggested that Whitehall has turned down a proposal to that effect. Is that the case?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What I said was that the proposal for the appointment of an Agent in Trinidad presumably has been turned down by Whitehall.

THE HONOURABLE SIR ALAN LLOYD: If the Honourable Member will kindly let me intervene again, an Agent and a Trade Commissioner are two entirely different things. As regards an Agent, the Honourable the Leader of the House will be in a position to speak, but as regards the appointment of a Trade Commissioner, I can say at once that there has been no question of Whitehall turning down any proposal for the appointment of a Trade Commissioner anywhere.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I refer to both matters, Sir.

THE HONOURABLE SIR ALAN LLOYD: I, Sir, am referring to one of them.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Very well. My grouse is that an Agent in Trinidad, Jamaica in West Indies has not yet materialized notwithstanding the demands of India. Perhaps I may tell the Honourable Sir Alan Lloyd that even these Trade Commissioners some times do other work of the Government—

THE HONOURABLE SIR ALAN LLOYD: Not with the permission of the Commerce Department.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: It may be with the permission of the Commerce Department or of the Foreign Department. But I know it is a fact that the grouse of Indians in Trinidad has not yet been removed, and there is great agitation there on that account. Certain associations in India agitated on that point and made representations to the Government of India and the Colonial Government, but, so far, their grouse in Trinidad, Jamaica in West Indies and probably in New Guiana also have not been removed.

I find that the Government of India, probably at the instance of His Majesty's Government, had thought it wise to commandeer all the dollar resources in India. Sir, at a time of war, it may be justified. But the only point which I want to stress at this juncture is that in case the Government of India need some foreign resources for their own commerce, they will be kind enough to provide those foreign resources up to the extent to which the dollar resources have been withdrawn from this country.

I then come to the Chatfield Report. In the Chatfield Report an expenditure of Rs. 45 crores was asked for to modernize the Indian Army, out of which the British Government were generous enough to contribute Rs. 34 crores and the rest, Rs. 14 crores, was provided by loan. Though the Committee recommended the completion of this job in five years, the Government of India had thought it proper, owing to the war, to expedite it in three years. If I am mistaken, His Excellency the Commander-in-Chief will put me right. Sir, that meant that instead of completing the scheme in five years the scheme is nearing completion now in three years, and the result is that India is being highly taxed to meet that cost. My suggestion is that all such expenditure should be met by loans and not by additional taxation. Additional taxation must have a limit. I can tell the Government that the present taxation is too heavy and cannot be borne by the country. In my last speech upon the Budget the other day I observed that the average yearly income of an Indian is Rs. 85 as compared with Rs. 1,800 of the Britisher. Now, Sir, in the present time after so many years of economic depression the financial position of the

average Indian is now lower than it was ever in the past. To impose this extra heavy taxation is not in my humble judgment wise. The masses ought to feel contented. We are all prepared to make sacrifices for the war and we all wish that Nazism should be destroyed, but all the same Government should see that the financial position of the masses is not broken. What is the actual result of the present taxation? I will put on the House a statement showing the effects of the war tax on profits. Taking excess profits tax at 66 $\frac{2}{3}$ per cent., income-tax at 2 $\frac{1}{2}$ annas and super-tax at 1 anna in the rupee and surcharge at 33 per cent., what is the effect? If we take the standard of profits to be Rs. 9 lakhs and the current war profits as 11.25 lakhs, that is excess profits of Rs. 2.25 lakhs, on that the excess profits tax comes to Rs. 1 $\frac{1}{2}$ lakhs. The balance left is Rs. 75,000. Income-tax and super-tax comes to Rs. 21,875 and additional income-tax and super-tax and surcharge comes to Rs. 65,625, making Rs. 87,500 in all. Then what is the position? There are no profits. On the other hand there is a deficit of Rs. 12,500, i.e., a *minus* profit or loss of 1.4 per cent. I will not go into all the other figures because I am laying this statement* on the table of the House for details, but will indicate to the House what the actual results are. In case of 25 per cent. increase in taxable profits the real increase of net profits is, as I have already indicated, *minus* 1.4 per cent. In case of 30.88 per cent. increase the real profit is nil. In case of a 50 per cent. increase in taxable profits the real increase of profits is 4.5 per cent. In case of a 75 per cent. increase in taxable profits the real increase is 10.4 per cent.; and if there is cent. per cent. increase the real increase of net profits is only 16.3 per cent. Sir, it is all right to say that in war time everybody must contribute his share. But that share must be in accordance with the taxable capacity of the person. This statement that I have laid on the table of this House shows that although in Great Britain the Government is allowing industries a certain concession to make up their reserves for the slump which will come after the war, in India nothing is being done in that respect. All this means that our surplus funds are being depleted. How can we start new industries? How can we help the war by further industrialization? I think this policy of the Government of India is wrong and not in the interests of India and so needs prompt revision.

Then I come to the question of compulsory war insurance. The Government has enforced on India a compulsory war insurance. The danger at present is not real. Of course one can only make that statement from the facts and data available. However, for war purposes we do not oppose it. But my proposal is that the income of this war insurance must be kept separate and must be utilized for the benefit of industry. It should not be allowed to be merged in the general revenues of the country.

Another question I want to bring before you is that of unemployment of the educated young Indians. I need not dilate much on that subject because everybody know it and feels the pinch. The majority of our educated young Indians cannot find employment and Government so far has not been able to find a suitable solution. One of the suitable solutions in my opinion lies in the industrialization of the country. It will absorb more and more such men. The present policy of the Government of India seems to me to discourage the growth of Indian industry. Therefore, if Government cannot patronize to the extent of uplifting industries, Government should find some other means of employing these young men who whilst unemployed are led into discontent and all its consequences which we all want to avoid.

*See Appendix at end of this debate.

[Rai Bahadur Lala Ram Saran Das.]

My Honourable friend Dr. Kunzru yesterday observed about the political deadlock. We all deplore that deadlock. We know that so far the Government has not succeeded in finding a suitable solution. Sir, the present agitation of the Congress differs very much from the agitation which it previously carried on. The Premiers and the Ministers regarding whom the Government of India and the British Government had at times paid high tributes are now confined in jails. What are those people? They are the real representatives of the public. They have a large following and by confining them in jail I do not know what advantage the Government is getting. In my opinion it is pinching the minds of those who elected those persons and Government who paid tributes to those Ministers and Premiers, should not now treat them as condemned persons. I am not one of those who advocates breach of law, but after all this is not an ordinary case. The agitation is going on on different lines altogether. The agitation is being carried on by the real representatives of the people and by the masses who returned them to the Legislatures. If you count the total number of votes polled in election campaigns of those Premiers and Ministers who are now in jail, you will realize under the circumstances that something must be done to put an end to this. We want all India to fully co-operate and unless the discontent, the legitimate discontent, is removed you cannot get the full co-operation of India. Some people who have a stake in the country believe that the British connection is a blessing. But we have to see the whole country. What is the present plight of those who have a stake in the country? I am not criticizing the Congress Governments, but I must say that in the North-West Frontier Province peace and order has declined and abductions and horrid crimes have very much increased. What do we find in the United Provinces? Take for instance the Talukdars of Oudh who have been rendering loyal services for many generations and centuries. What is their plight now. I had a talk with some of them and I can tell you that they seem discontented. Generally speaking, the people of India are not content for some reason or another and Government should in their own interest and in the interests of India find out a solution. I would not take much time to deal with that matter, because some of my friends and colleagues who have spoken before me have dealt with this subject so well.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable the Leader of the Opposition explain whether the Congress is the representative of the opinion of India or the non-Congress?

THE HONOURABLE THE PRESIDENT: Order, order. Your interference is not justified.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I am sorry that my answer to the question will take much time.

THE HONOURABLE THE PRESIDENT: You have taken nearly an hour already.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I might leave that question alone. The time at my disposal being very short.

THE HONOURABLE THE PRESIDENT: You have had quite a long time already.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, I have already said that the Board of Scientific and Industrial Research should be put on a permanent basis and yearly allotment should be given to it. In that connection the work which is given to the Institute should be given to Indian nationals in preference over foreigners who start new industries which this Board might recommend. As regards shipping I said that shipbuilding yards should be encouraged—

THE HONOURABLE THE PRESIDENT: Please do not repeat your arguments. You have already referred to shipping matters.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, I am adding to what I have spoken. When the British Government is getting their shipping orders booked in Mexico and the United States, a reasonable number of ships should be placed at the service of India to meet its requirements.

I congratulate the Government of India on their acquiring the telephone services in India at a cost of about Rs. 4½ crores. This action ought to result in cheaper service in the stations as well as in trunk calls. I also take this opportunity of thanking the Government of India for their successfully piloting the Merchandise Marks Bill. That Act was very badly needed in the interest of the trade and commerce and I am glad that the Government has been able to put it on the Statute-book.

Then, Sir, I come to the plight of Indian overseas. In Burma, Ceylon and in Indo-China Indians have been put to great inconvenience. In Burma alone one of my friends who used to be a Member of this House has I understand lost Rs. 2 crores. In Indo-China the treatment of Indians has not been put right. I know that our Honourable Member for Emigration is doing all he can, but after all there are certain limitations, and unless the Government in England takes keen interest in the matter, much cannot be achieved. What is going on in Ceylon is known to everyone. The Ministers are becoming rather obstinate in their demands to win cheap popularity. But I hope that the Government of India will be able to prevail upon them and find some sort of solution to remove that difficulty. India does not want to fall out with any Colony, particularly in time of war, but here Ceylon is to blame, because they started breaking good relations. Therefore in case relations do not improve, retaliatory action will be the only measure; and just now when Ceylon has not got any textile mill or when they cannot dispose of their produce for want of shipping India probably is in a position to dictate.

Then, Sir, I come to some matters as regards the Defence Department, and I am glad that His Excellency the Commander-in-Chief is here to hear my grouse.

THE HONOURABLE THE PRESIDENT: You know we are pressed for time today. You do not seem to think of other Members who want to speak.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I will now finish my observations in about five minutes time. I say that as far as the colour complex is concerned we feel grateful to Government for having removed it. We are also thankful to His Excellency the Commander-in-Chief for that action. Another point which is agitating the Indian mind is the difference in pay and allowances between the British and Indian commissioned officers. We all admit that overseas allowance should be given to British officers; but as regards other allowances, both Europeans and Indians must be at par. There must be no discrimination of any sort. My Honourable friend Pandit

[Rai Bahadur Lala Ram Saran Das.]

Kunzru has said that the position of the officers joining from the Indian Sandhurst, Dehra Dun, should be improved. They should not be dignified jama-dars. They must start their life as company officers and not as platoon commanders. The Viceroy's Commission having been revived, those are the persons who have long proved their worth as platoon commanders. If you do not restore them to platoon command, I think you would not be appreciating the services of those who have done so well in the past. Therefore, Sir, I wish that the product of the Military Academy at Dehra Dun should be put at a par with the British officers. It is all right to say, Sir, that you have introduced a new system in the Indian Army. But when you have revived the Viceroy's Commission there is no reason for following the British practice in the Indian Army. The circumstances are different and therefore with the mechanization of the forces and modernization of the Army I would beg His Excellency the Commander-in-Chief to appease the public mind as regards improvement. I wish, Sir, that that point may be cleared. It was, as far as I understood it, clarified, but the statement in the other House has confused the matter, and we do not know what exactly the present position is—to what extent the non-martial tribes are to be taken, whether they are to be taken now or after the war. The sooner, Sir, this question is decided the better.

As our Honourable President wants me to close my speech, I will do so with few remarks, and that is that in the Defence Services there must be no discrimination. I find, Sir, that in the Defence Services, as my Honourable friend Dr. Kunzru said, all sorts of people are being given King's commissions in the British recruitment—tea-planters, lorry drivers and what not. They are being given King's commissions freely. But in the case of Indians, different rules are being observed. I find, Sir, that in the Contracts Directorate, certain officers who belonged to the subordinate service are now commissioned officers—for instance a person who was merely a clerk and rose to the position of a head clerk and then became an Extra Assistant Commissioner, was recently promoted to Lieutenant-Colonelship. Why? The officers of the covenanted services, I mean the I. F. S., the I.C.S., and other covenanted services, are all given rank of Second Lieutenants and Lieutenants. There is heart-burning on this question and I hope that His Excellency the Commander-in-Chief will see that officers who come from the Superior Services do not get differential treatment when a man who rose from the subordinate service can become a Lieutenant-Colonel, a person who has put in 15 years service or more in a superior appointment is appointed a Second Lieutenant or a Lieutenant. That is a matter, Sir, over which people feel, and I hope that His Excellency the Commander-in-Chief will see his way to remove the right grouse. Sir, as the only constitutional method of our protest which is open to us is to oppose the Bill. We are all co-operators, we are helping the British Government, we are doing everything, but we have no other course open to us than to file our protest by opposing the Bill.

THE HONOURABLE THE PRESIDENT : I wish to interfere at this stage for a minute. Some Honourable Members are under the impression that there is no time limit whatsoever to speeches on Bills. I quite agree that under the Standing Orders I am not able to interrupt any Member as long as he talks on the Bill. But when political speeches are made, they could be made possibly for two to three hours by every individual Member, and no opportunity will be given to other Members to address the House at all. I

am very anxious that as many Members as possible should get an opportunity of speaking on an occasion like this ; and I therefore say that in future it will be my sad duty if Members talk on political issues to interrupt. If Honourable Members confine their remarks to a limited period I have nothing whatever to say. But as the Honourable Member has just now done, he has spoken for an hour and twenty minutes, and it will be impossible to enable other Members of this House to express their opinions on the subject. Therefore it should not be thought that the Chair has no power whatever to stop when you are talking on political subjects. I may not have a right to disturb you when you are speaking on the Bill itself under the Standing Orders, but when political speeches are made, it will be my sad duty to interfere.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Wont you kindly extend the Council to another day and give us all time to speak ?

THE HONOURABLE THE PRESIDENT : It is not in my hands. You must make that request to the Leader of the House.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I do make this request to the Leader of the House.

THE HONOURABLE LT.-COL. SIR HISSAMUDDIN BAHADUR (Nominated Non-Official) : Mr. President, Sir, I am sure that I will not waste the time of the House so much. The outbursts from the side opposite in regard to the taxation proposals in the Finance Bill have surprised me. It is the privilege of the Opposition to criticise but the criticism should be of a helpful and not of a destructive or obstructive nature. Taking into consideration all what is happening today, it is no use shutting one's eyes and ignoring the danger which confronts India. In the East Japan is making a bid for mastery and the ambitions of Russia cannot be overlooked. The Frontier tribes are always a live issue. Thus the prospect for India is dangerous, full of black days, horrors and not free from anxiety and therefore the defence measures which the proposed taxation is designed to carry into effect deserve the fullest support. The proposed taxation errs on the side of mildness and caution and is much below than was expected as compared with the enormous expenditure on war measures. His Majesty's Government is spending £20 million a day. Let me recall to Honourable Members that when Lord William Birdwood became Commander-in-Chief, the Defence budget amounted to approximately Rs. 82 crores, which later dwindled to Rs. 45 crores. The Defence budget today has not yet attained to those proportions and yet there is such an outcry against the proposed increase. I would suggest and invite the attention of the Finance Member that a duty on cement is worth consideration. It would yield revenue without causing hardship to the poorer classes of the people.

The Defence measures mentioned in the Finance Member's speech call for our whole-hearted support, which are calculated to restore public confidence. The total strength of our armed forces is well over half a million men of all arms and further expansion is proceeding. Provision has been made for new armoured and mechanized cavalry regiments ; new Indian field artillery regiments, regular infantry battalions, engineer units, more M. T. sections and all the highly trained and specialized troops required for modern warfare. All these arrangements are essential for the defence of the country and

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the defeat of Germany. The training of the Indian Army has been admirably efficient. This has been amply proved beyond question by the part which they have played in the recent great victories where they overcame a well armed and numerically far stronger enemy at a surprisingly small cost to themselves. It is to be noted with satisfaction that His Majesty's Government have recently agreed to a standing arrangement under which India will receive a substantial fixed proportion of the output of equipment of the United Kingdom. The scheme for manufacturing aeroplanes in India has reached a satisfactory stage and there is now little doubt that the year 1941 will witness the appearance of the first aeroplane produced in India. Under the arrangements with His Majesty's Government we shall be able henceforward to purchase vehicles, machine tools and other essential requirements in the United States and Canada.

Sir, in the midst of these magnificent war efforts of the people and the Government of India and the Indian States the *satyagrah* movement of the Congress has been a most unfortunate development. This movement is not affecting the war effort. The recruits are pouring in from British India and Indian States and all possible help is forthcoming. I am personally aware of the great service Bhopal and its Ruler are rendering at the present juncture. The Ruler of Bhopal is at present in the Middle East, touring in the war zone. The money is freely and voluntarily being contributed for the prosecution of the war. The Defence Bonds met with a ready and increasingly popular reception and on the 25th January subscriptions totalled nearly Rs. 45 crores. The danger to India is real and imminent. Let us win the war and leave politics alone for the present. There will be time enough for that when peace reigns in the world again. In the N.-W. F. P. the policy pursued by His Excellency Sir George Cunningham, the Governor, has been fruitful of excellent results. Recruitment is proceeding apace and other war efforts are being successfully made. Particularly noteworthy is the spontaneous contribution of Rs. 10,000 made by the tribal territory Afridis towards the Allied cause.

Thanks to the stupendous and united efforts of the British Commonwealth which includes India, the tide of war has definitely turned. Hitler must be a greatly worried man today. The glorious victories in North Africa and wonderful achievements of the Greeks in Albania have upset his calculations. Incidentally I would suggest that the congratulations of this House should be conveyed to General Wavell and the British and Indian Armies. The end will be in sight before long though not cheap. We have luckily got in our Commander-in-Chief a soldier of outstanding eminence who has actual experience of the present war and all its horrors, and knows India intimately. Give him the fullest co-operation and back up the Finance Bill which will provide the sinews of war as a contribution from India towards the final overthrow of Nazi and Fascist dictatorships. I am sure Turkey will appreciate the situation and will play the role of neutrality and friendliness with Britain who has always kept Turkey's interests at heart.

I might mention that my son Captain Ahmed Jan and my cousin's son and several other family members are overseas and I am receiving news from them that the Indian troops are quite cheerful and happy and are being well looked after and doing very well.

With the above observations, Sir, I support the Bill.

THE HONOURABLE SIR MUHAMMAD YAKUB (Nominated Non-Official) :
Mr. President, the discussion on the Finance Bill provides a legitimate oppor-

tunity for wholesome discussion on current topics. As regards the financial side of the Bill, it is clear that it deals with abnormal conditions, and taking into account the huge expenditure which the war entails, the Budget could not be subjected to that criticism which under normal circumstances would have been quite justified. It is true that financial considerations should in no way hamper our war preparations but it is also natural that in the widespread field of expenditure there are more chances for extravagance and leakage and, therefore, the Finance Member's assurance in the other House that "the question of preventing wasteful consumption on non-essential objects was one to be carefully watched in this country" must be received with great satisfaction. I am not competent to deal with highly technical and controversial financial propositions but as a layman I can say that a duty on Indian-made cigarettes would be a better alternative to a duty on matches. Although the tax on match boxes was, to a great extent, a smoker's tax, it also affected the poorest and the humblest of the masses, while the tax on Indian-made cigarettes would be solely a smoker's tax which is approved of by the Finance Member himself.

Passing on to the general side of the discussion, I would first of all express my feelings of satisfaction and pride on the brilliant achievement of the Indian Army in the Middle East. Our soldiers have not only preserved and maintained but they have also enhanced the honour and reputation of this country by their unrivalled deeds of bravery and heroism. The vivid picture of the part played by the Indian troops in the Eastern theatre as told by Major Halloway, who served with an Indian formation, shows that our gallant soldiers had given an account of themselves of which their countrymen might well be proud. They learnt with alacrity the use of new weapons and adapted themselves quickly to strange conditions and overwhelmed the enemy after a hard and bitter fight. They fought in company with crack Imperial troops and won their unstinted admiration. They have also exploded the empty war slogans of the Congress and have shown to the world that India is wholeheartedly supporting Britain in this war, which is as much our own affair as it is England's task. Certainly, generally speaking, Indians fully realize the gravity of the situation and they know full well that England's defeat would mean India's destruction. Therefore in spite of the malicious propaganda and mischievous activities on the part of the Congress, India has made up her mind to throw all her weight on the side of England in the prosecution of the war.

Mr. President, a good deal has been said recently about what is commonly called the political deadlock. I am emphatically of opinion that no deadlock exists in our country. The administration in the provinces vacated by the Congress is today more efficient and more satisfactory in every way than it was during the short-lived Congress regime. The people in those provinces now enjoy greater peace and tranquillity and receive more impartial justice than during the Congress regime. The number and extent of communal riots is very much less than it was during the Congress domination, and nearly in all the provinces now under the direct administration of Governors the financial position has very much improved. In fact Congress resignations have proved to be a great blessing to the country. Otherwise by this time the administrative machinery would have been greatly dislocated and there would have been chaos in all the Congress-governed provinces on account of which India would not have been able to render one-hundredth of the help which she is rendering today in the prosecution of the war. Some people think the Congress resignations were the outcome of the gentlemen's pact to which reference was once made by Mr. Gandhi. Any effort therefore to reinstate the Congress regime

[Sir Muhammad Yakub.]

in the country means an effort to create a deadlock and an internal revolution in the country. I do not however doubt the good intentions of the Hindu leaders who recently convened a conference at Bombay to discuss the political situation in the country. Their desire to increase the volume of India's help in the prosecution of the war is admirable, but we must dispassionately analyse the result of their proposal. Their proposal to place their mature services at the disposal of the Government at this juncture is nothing but patriotic. However I cannot see how they can make a better alternative or a more efficient substitute for the present Cabinet of the Viceroy. On the other hand a dislocation of work which is bound to follow the dissolution of the Viceroy's Executive Council seems to be full of danger and means a slackening in our war efforts. As regards the restoration of Congress Governments I am positive that their association with the war measures and activities is bound to jeopardize the arrangements and the programmes which are now in full swing. I am however fully in favour of establishing a War Advisory Board representing willing and reliable representatives of both British India and Indian States. An association of such persons will no doubt inspire zeal and strengthen and supplement Government's war measure. The Indian States have proved to be a great source of strength to the British Government and the biggest and the most important of the Indian Princes, namely, His Exalted Highness the Nizam of Hyderabad and Berar, has made very generous donations towards war funds. His dominions are full of war activities and the faithful ally of the British Government is fully prepared to render the same valuable services which were rendered by his distinguished predecessor the great Asif Jah the Second. It would indeed be a great help to the Government if such loyal and distinguished services are appreciated and more opportunities are made available to increase and widen the directions of their support. The Indian Princes have proved to be the backbone of the British Government since the first days of British rule in India. It was the Asif Jah whose timely help and active assistance to the British against the French established British rule in India. Again during the troublesome days of the Indian Mutiny of 1857 Indian Princes, and notably the Government of Hyderabad, supported the British cause. During the last great war Indian Princes rendered invaluable help both in men and money, and since the beginning of this disastrous conflagration the Indian Princes have thrown themselves heart and soul into helping the British Government. In Hyderabad there are great possibilities of industrial development and the establishment of an arms and munitions factory at some suitable place in the dominions of His Exalted Highness ought to be seriously considered. Aurungabad would also provide a very suitable base for an aerodrome and aeroplane factory and the Ellora and Ajanta caves are in my opinion the best and safest shelters against air attacks in India. If Indian States are given full opportunity and more latitude to equip themselves with mechanized arms the defence of India would be placed on a very strong and sound basis. It is however to be noted, Mr. President, that after the last great war the services of Indian Princes were not appreciated according to their heart's desire and under the pressure of political agitators, who have never come to the rescue of Government at any time of danger, a western type of federation, quite uncongenial to the Indian soil was to be forced on unwilling Indian Rulers. The scarecrow of Federation has now been removed with the commencement of the war, much to the relief of Indian Princes who are now supporting the Government with a light heart. It is to be hoped that after the war is ended, in the victory of Britain, the services and devotion of Indian Princes will not be forgotten and their sovereignty and ruling powers will not be sacrificed in order to satisfy the irreconcilable political agitators.

Mr. President the statement of the leader of the All-India Muslim League in the Assembly to the effect that they were prepared to postpone the question of Pakistan during the war period and that they were prepared to help the Government within the frame of the present constitution if they were given substantial power in the Government of India must be viewed with satisfaction, and let us hope that the Congress and the Hindu Mahasabha will also change their irreconcilable attitude and unreasonable demands. However important the question of the future constitution for India may be, it must perforce be suspended during these most critical times. Let us first strain all our nerves and stake all our resources for the safety and defence of India; it is futile to think of constitutions when our very existence is in danger. As His Excellency the Viceroy has rightly said, after the war is over the present constitution will be put into the melting pot and all the proposals and schemes produced by different parties will receive due consideration.

Mr. President, His Excellency the Commander-in-Chief, who during his short term of office has created a different atmosphere in the military outlook of the country, made an important and very far-reaching announcement in this House when he said that recruitment to the army will be made only on grounds of efficiency and not on grounds of race and colour. The real test of the valour and capacity of a soldier and a military officer can only be made on the battlefield and I am sure that the present war will provide sufficient experience of the fighting capacity of different clans and communities. His Excellency is fully aware of the fact that military family traditions passing from father to son and from generation to generation have been of the greatest value in building the efficiency of the British Army, and what is true of England is true of India with greater strength. I am sure that the wild cry of our political agitators will not influence the Commander-in-Chief to lower the efficiency of the Indian Army and I am confident that an experienced soldier like General Sir Claude Auchinleck will not paralyse the sword arm of India under any circumstances.

Mr. President, the chief benefit which India is drawing from the present war is the expansion of our industries. The Eastern Group Supply Conference, with which the Roger Commission was associated, has resulted in the establishment of a Council in New Delhi. This is an important development of far-reaching consequences and the benefits which India will derive from the development of her industrial resources will be a source of permanent and most needed benefit to our country, and I hope that the opportunities offered by strategical and geographical advantages of our country will be fully utilized by Indian industrialists. It is an achievement which would not have been offered to India had it not been for the present world wide war. The credit of this great achievement goes entirely to His Excellency Lord Linlithgow, for it was on his initiative that the Conference was held in India and the Council was installed in our country. To India's first War Supply Member, the Honourable Sir Muhammad Zafrulla Khan goes the credit of giving practical shape and bringing into working order this momentous undertaking. And the great ability and energy with which he is discharging his duties deserve our great admiration. He has proved that in every field of activity Indians can rub shoulders with the greatest statesmen of the world.

Mr. President, before I conclude my remarks I would again appeal to all sections in this House, as well as to all the nations and communities in India, to close their ranks and forget their domestic troubles and communal differences for the present. Let us all unite and concentrate all our energy and attention to one and one object alone, namely, the successful prosecution and glorious termination of the present war.

[Sir Muhammad Yakub]

With these observations, Mr. President, I support the Motion before the House.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN (United Provinces West : Muhammadan) : Mr. President, the Finance Bill has to be considered in the light of circumstances and the situation which exists not only in this country but in the world. One might have criticized legitimately and reasonably the income and expenditure as shown in the Budget in normal times, but considering the most extraordinary situation created by the war, upon which depends the life and death of big nations, India which is certainly today a part and parcel of one of the belligerent Empire has to consider its own resources, income and expenditure, in the light of these events. Speaking on the Finance Bill as a whole, I congratulate the Honourable the Finance Member on the production of this year's Budget. Consideration of the Budget and the Finance Bill by the Houses of the Legislature gives an opportunity to various groups for presenting their grievances, condemnation and appreciation both, of certain matters in departments which are included in the Budget and the criticism of the Finance Bill in one aspect or the other does not necessarily mean that it is condemnation of the Budget or Finance Bill as a whole. I must say that I have tons of grievances against the Railway Department, very serious and sincere objection to hundreds of things, but I cannot grudge congratulations to them on providing so much money to central revenues which has been very helpful to the Finance Member in framing this Budget. Criticism and ventilation of grievances against Railways is out of place here. But I must say one word and that word is a word of warning to the Railway Department, that we the Mussalmans are thoroughly dissatisfied with the administration of the Railway Department and we have demonstrated in a very very meek and humble way our protest in the Assembly as well as here, but if the grievances are not redressed and regard is not paid to our feeling by the Department we shall have to think out more effective way of protesting and asserting our demands. So far as this Bill is concerned, it has been said that the expenditure is nearly 80 per cent. for war purposes. I just visualize what is happening in Europe and other theatres of war. We, sitting in this cool room, protected from all the air attacks, might well criticize it. What is after all Rs. 80 crores ? It is hardly a few days expense of the war. I do not grudge anything which is spent for war purposes, but spent economically, reasonably and justly.

Sir, as most of the expenditure from our income is going towards the war purposes, I have a word or two to say about the military. It is very fortunate at the present juncture that we have a Commander-in-Chief of experience in India. He has already shown signs of popularity, statesmanship and foresight. Most of the military men do not bother their heads about public opinion. Many of them are not even in touch with it and do not want to get in touch. But I have noticed that in such a short time he has given India the impression that he values public opinion. (Hear, hear.) He wants to remain in touch with public opinion and he is going to treat it with respect. That is very fortunate. And therefore I feel encouraged to point out one or two things for his consideration. The question of the Indianization of the Army has been a burning question in India for many years past. It is true that today it is the need of the war which is attracting Indians and also attracting invitation from the British people to Indians to come and join in fight. But it should be borne in mind that after the termination of the war the Indian Army is going to be Indianized, and that the officers who are now recruited temporarily would

be kept under observation for employing them permanently in the Indian Army, which will be real Indian Army after the war.

There is another thing I would like to point out. It has been said on the floor of this House and almost everywhere and many a time that the difference between martial and non-martial races should be done away with. It is not really a very acute question at present. What is really acute is the question of the other class which has sprung up, namely, the non-violent people in this country. (Laughter.) Now think of the enormous number which at least Congress claim to represent as members of that institution. They include a good many martial races also. But what about their creed of non-violence ? Are they worthy even of looking at in connection with service during the war ? The answer is "No." It is their creed, it is their pledge, it is their faith, that they will remain non-violent : which makes them unfit and therefore I would ask all those gentlemen who are advocating the abolition of the difference between martial and non-martial first to go to Congress, beg on their knees, and even do *satyagraha* if they have to, that it should give up this faith of non-violence. Otherwise it will be very difficult for the Commander-in-Chief or for that matter for anyone who is in charge of the Army here, to decide which one to take or not to take. I say that anyone who belongs to Congress, or has sympathy with the Congress, whether he is a Hindu, Mussalman, or Christian, is absolutely out of the picture of the Army. Otherwise Mr. Gandhi should be persuaded to give up his principle of non-violence. These days are not the days for that sort of thing. I am quite prepared to accept that these are the days of science, and there are certain classes of services, for instance, medical men, scientific men, people who are non-martial, who could do very well. In this war there are many scientific people or people who may be able to render very good service. But one thing is certain. They cannot be non-violent and also get into the army. I would therefore request His Excellency the Commander-in-Chief for the present not to consider the question of martial and non-martial. The only question he should consider at present is the question of who are committed and who are not committed to the principle of non-violence, and he will find that Congress is committed to non-violence, with its considerable numbers. I am quite prepared to admit that we have the Muslim League and other people like the Sikhs and the Gurkhas. But their number is comparatively much smaller to the population of India. The only thing which should be taken into consideration today is who are useful for service in connection with the war.

The next thing which I want to point out and which I came to know from the answer given by the Government to the question put by the Honourable Mr. Hossain Imam is the number of the Muslims in Ordnance factories. I notice that the number is very very small, and I hope that His Excellency the Commander-in-Chief will see whether it is advisable and proper to bring that number at least to the ratio and proportion fixed.

There is another thing to which I would draw his attention, and that is that whatever people there are in the Army, martial or non-martial, scientific or anything, the officer rank should necessarily reflect the proportion of the people who are in the Army in particular units and regiments : because it is quite obvious that discipline and confidence are things which are so essential in the Army. If there are officers commanding certain units and if the soldiers and sepoys have confidence in their officers according to military discipline, coupled with confidence, that will be a hundred times better than having officers in which the soldiers and sepoys have half confidence. That is so far as the Defence Department is concerned. There is the question of

[Haji Syed Muhammad Husain]

supply. That has to be considered, and I would request the authorities responsible that all the supplies needed for the war must be purchased in India and an effort should be made to promote their manufacture in India so that the money should remain as much as possible in India.

Now referring to the political deadlock, it is certainly one of the most important questions of the day. It is true that Government are not worried by the deadlock. My Honourable friend Sir Muhammad Yakub said that in his opinion it is no deadlock. I say that is not right. The deadlock is a deadlock, whether you disregard it or not. Today it is most unfortunate. At present the British want the goodwill of even those nations and people who are not part and parcel of their Commonwealth, or who have been enemies in the past. I am sure the British would want much more the goodwill of those people who are part and parcel of their Commonwealth and are doing their best. It is true that recruits are pouring in, money is coming and everything else which is required for the war is coming from India. The Indian Princes have placed everything at the disposal of the British Government. They have their grievances; they have certain demands. Would it be right for the British people to take everything which is presented to them and disregard everything that is demanded of them and which they can very easily and reasonably give? The removal of this deadlock would certainly bring in the goodwill and whole-hearted support of the people. Much of the co-operation now may be on account of economic necessity. Many of the things may be on account of personal ambitions of the people who are engaged in trade. But that will bring in the solid goodwill of the country. It is true that the Congress has taken up an attitude which is very unfortunate and very inconsistent, and unreasonable. The very hopelessness of the attitude taken by the Congress, who, while sympathising with the aims of the British in destroying the Nazism, while agreeing to say prayers and to advocate prayers for the victory of the British people, yet say that they are going to shout and ask people not to join the Army or not to co-operate in any war effort, is very difficult for any one to understand, who has a head on his shoulder or commonsense in his head. Therefore, the attitude taken by the Congress may be altogether ignored, because, the goodwill of the Congress, on account of their attitude, is not required at all. The world has understood that the Congress is doing something which no reasonable man can accept. There is, therefore, the question of the non-Congress people. There again, I utter a word of warning to the Government. If Government persist in their attitude, and their weak policy of appeasing the Congress at the cost of those who are willing to co-operate with them, this should not continue for long, because, if continued, the British Government will find that even their friends will desert them because they will know that they are disregarded and no notice is taken of them. Therefore, I would ask the British people to rise to the occasion and give up this weak policy of appeasing the Congress, particularly at this juncture when the demands of the Congress are hopelessly unreasonable and cannot be supported, and to trust to the people who are ready to co-operate with them willingly, without any force, and with sincerity, and to place their confidence in them. If this is not done for long, my fears are that the goodwill of friends will also be lost. I was looking forward to the Conference at Bombay. I thought that these great gentlemen, before many of whom I bow for their capacity, political foresight, integrity and other great things, would do something in this Conference which will ease the position, and if nothing else, that they will act as mediators between some two groups. But they have done nothing of the kind. It is most unfortunate that they have contented themselves with a pious declaration. The

difficulty is that they do not understand that though they are men of integrity and all that, they have no following. No one will listen to any group of person or party which is without a following. If they had mediated between the Congress and the Muslim League or the Government and the rest they would have done much service than merely by, what is called in the Persian proverb "Nashistand, guftanand-o. barkhastand", that is, "they sat down, talked and left at that". The time is not lost so far as the Muslim League is concerned. Both His Excellency the Viceroy and the Muslim League have said that the doors are open, but it would seem that for the present, they have closed the door themselves. Although they say the door is open, they treat it as closed. There is a very strong class of non-Congress men and other Hindus who are prepared to co-operate. Why should not the British Government do, as Mr. Amery said, that even if the Congress is out of the picture they will proceed with the expansion of the Executive Council and share the responsibility with other non-officials? "Why not do that and avoid the charge that the British Government know only how to take and not to give?" In this House, on one side, Pakistan was referred to, and on the other side, the postponement of Pakistan was referred to by the Honourable Sir Muhammad Yakub. I do not want to say anything about it at present. It is sufficient to say for the moment that my brother Hindus have refused by word, deed and action to treat India as the joint family property of two brothers with advantages and disadvantages. The only thing left to the other brother is partition of the family property, and that is the decision of the Muslims which they will support with everything in their power. The result is in the hands of God. I invite my Hindu brethren to still consider which is proper for India—a joint family property or a partition—and it is for them to decide.

Now, Sir, passing on to expenditure on other matters than war, I want to refer to just one thing, and it is this. I would remind the House of my Resolution of last year in which I asked that two-thirds of the Judges of Indian High Courts should be Indians, and a promise was given from the Government side that they would see that progress was continued in that respect. We are still waiting to see this promise fulfilled and continued. Not only that, but we would like also that the Chief Justices should be Indian wherever possible.

It is true that the Muslim League in the other House voted against this Bill. But that does not mean that it disapproves the Bill on the merits. Its vote may be due to many other things. It may be an exhibition of feeling; it may be a method of demonstrating that our Party being otherwise dissatisfied has decided to take a certain course in that connection; and by that every Member of the Party is bound.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, in the course of this debate some questions have arisen in connection with the Defence forces, and particularly in connection with the organization of the Army, on which I may perhaps be able to throw a certain amount of light. But before I proceed to do that I should like to acknowledge if I may on behalf of the Army the congratulatory remarks made by my Honourable friend Lala Ram Saraz Das and other Honourable Members. I am sure the Army will appreciate them very much, and only this morning I had another telegram from General Wavell in which he referred in glowing terms to the part played by Indian troops in the capture of that very important town of Keren. (Applause.)

Sir, the Honourable Mr. Muhammad Husain was good enough to say that I had expressed my desire to receive advice and to keep in touch with public opinion. That is quite true. That is my desire, and I am receiving it. It

[H. E. the Commander-in-Chief.]

fact I am receiving it so fast that it has become a little difficult. I find myself in the position of a patient attended by a multitude of doctors. Each one of those doctors wants to rearrange some part of my anatomy and many of them want to cut off a good deal of it. However, I dare say I shall pull through and eventually be able to take advantage of much of their very excellent advice. That is what I am trying to do at present, but I think you will agree that a good deal of it is very conflicting. You have heard some of it today. However that is my duty and I will proceed I hope to absorb all that is valuable in the advice that is given to me.

Sir, the first point I would like to speak about is the question of differentiation or favouritism as between the British and Indian officer. It has been hinted at or mentioned more than once in the course of this debate. Well, I can truthfully say there is none. I have said it before and I say it again. Efficiency and suitability are the only tests, whether the officer is a British officer or an Indian officer; and so far as in me lies that will continue to be the case.

There are certain special appointments to some of which reference was made, and these special appointments are generally really of a non-military character, but the grant of military rank to the incumbents of those appointments is sometimes desirable. It may be strange that this is so, but it is a fact that if a civilian is dealing with soldiers it sometimes helps to put him into uniform. It should not be so but it is. But the grant of rank to such an officer—and it is the point I want to make—does not retard the promotion of any other officer. These are special appointments filled by specially selected individuals. The grant of Lieutenant-Colonel's rank, say, to an officer detailed to deal with a special subject, not a military subject, does not mean that anybody else is kept back from being a Lieutenant-Colonel.

Then several Honourable Members referred to composition and the organization of the post-war Army, of the Indian Army after this war has been won. Well, it is quite impossible for me or for anybody else I think—at least I have not met anybody who could give me the answer—to say what the Indian Army will be like after the war. Some Honourable Members have expressed a fear that perhaps the Indian officers will again be made to become platoon commanders, instead of being company commanders as they are now. Personally I think that it would be most unlikely, but I can give no guarantee. Who is likely to be able to say what the position of the post-war Army will be, either of the British Army or the Indian Army or any other Army. But in passing I would like to state again that in this so-called platooning there is nothing derogatory at all. The introduction of Indian officers into the pre-war Indian Army as platoon commanders was merely an attempt to bring the new Indian Army on to the same level and the same basis as the existing British Army, in which there have always been officers as platoon commanders and in which there are officers as platoon commanders today. There is nothing derogatory in it. The difficulty arose because of the fact that in the Indianized regiments officers were doing platoon commander's work whereas in the non-Indianized regiments the Viceroy's commissioned officers were doing the platoon commander's job. However that is only in passing.

The question of the supply of Indian officers was mentioned. As I have said before quite recently, this question is constantly under my personal consideration and at the present moment various means are being worked out which I hope will improve not only the system of obtaining these officers:

but the system of training these officers when we have obtained them, and I trust these means will lead to our getting an even better class of officers than we are getting now, and more of them. I hope that some of these measures will be introduced quite shortly.

Another point I would like to make quite clear is that inefficiency or unsuitability in British officers is no more tolerated than it would be in Indian officers. There is no difference made in this respect whatsoever. If a British officer is inefficient I have not the slightest hesitation in having him removed. The same applies to an Indian officer. There is no difference. The selection of emergency commission British officers is just as careful as the selection of Indian emergency commission officers. The system of selection may be different but the standard is the same.

The next point that I should like to touch on is the question of the employment of Indians in the Ordnance factories and in the Indian Army Ordnance Corps. This question is always arising and I think for a very good reason, because there are very few Indians employed in these factories. That is a fact; but it is also a fact that in the Ordnance Factories we have said that we will accept up to 100 per cent. of Indians in the higher grades as officials if we can get them. It is also a fact that so far we have not been able to get them. They apparently do not exist with the necessary qualifications and during the war one cannot appoint unqualified people to such important posts. As regards the Indian Army Ordnance Corps, the matter is different. The Indian Army Ordnance Corps is, in the same way as the Royal Army Ordnance Corps, recruited from officers who have already joined the army. That is to say, they join cavalry, infantry or artillery units first of all and from these units they are transferred to the Ordnance Corps. Here again before the war we were taking, or were prepared to admit, into the Indian Army Ordnance Corps 30 per cent. of Indians if we could get them, but the candidates coming forward now and in the last two or three years have not filled those vacancies; they will in the future I am sure as we get more and more Indian officers in the Indian Army. Up to date they have not been coming forward in sufficient numbers to fill even 30 per cent. of the vacancies. There is no attempt to prevent Indians being appointed to either the Ordnance Factories or to the Indian Army Ordnance Corps provided they have the necessary qualifications. The University Training Corps were mentioned again more than once. Well, I think I have already given the House an assurance that this matter is also receiving my personal and constant consideration and ways and means are being worked out for the improvement of these corps so as to make them more useful as officer-producing units. That is my intention. During my recent tour last week in Southern India I took the opportunity of meeting as many as I could of the University officials and certain of the officers of these corps, such as were available, and I took their advice and opinion. That advice and opinion will be very valuable indeed. (Applause.)

As regards the broadening of the basis of recruitment, that is to say enlistment of classes not hitherto enlisted in the Army, that too is proceeding steadily and will go on proceeding steadily. But here again I think I have warned the House before that we cannot expect spectacular results. These things cannot be done all in a minute. I would like to take this opportunity of assuring the House—the matter was mentioned just now—that any such broadening of the basis of recruitment will not be allowed to affect efficiency.

Then I come to the question of the association of the Legislature with the Defence Department concerning which I gave an assurance in this House

[H. E. the Commander-in-Chief.]

one month ago. I am sorry if my Honourable friend Dr. Kunzru gained the impression from the Defence Secretary's remarks in another place that the Defence Secretary and I were at variance on this point. We are not. We hold the same opinions and we are working for the same ends. There is no difference of opinion between us and there will not be any difference of opinion between us and I do not think the Defence Secretary's remarks really can be construed to mean in any way that what I said in this House would not be carried out to the best of my ability. I stand by what I said and ways and means of implementing what I said are now being actively investigated and I hope before long we may see some results. Here again Honourable Members will, I am sure, realize that a matter of this kind cannot be settled in a moment. That is all I have to say, Sir. (Applause.)

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay: Non-Muhammadan): Sir, in speaking on the Budget at the general discussion stage, I had ventured to make a number of suggestions for the serious consideration of His Excellency the Commander-in-Chief and the Honourable the Finance Member. I have no desire to weary the House by covering the same ground again. But I would like, Sir, to mention some of the main suggestions in the briefest of language in the hope that we shall get definite and satisfactory replies from the Government at the end of this debate.

Sir, so far as the field of Defence is concerned, I had suggested that, in the first place, His Excellency the Commander-in-Chief should set up a Committee of Members of both Houses of the Legislature to scrutinize all Defence expenditure. Secondly, I had urged the establishment of a War Advisory Council commanding the confidence of the Princes and the people of India to co-operate with His Excellency and the Defence Department in all measures which have a direct or even an indirect bearing on the prosecution of the war. My third suggestion was that the work of the Army Indianization Committee, which was suspended soon after the commencement of the war, should be revived at the earliest possible date.

Coming to the field of finance, Sir, I had urged the Honourable the Finance Member to imitate the example of the British Government and to set aside half the proceeds of the excess profits tax as a reserve fund to assist various industries now in the course of expansion to change over to peace conditions at the end of the war. In this connection, Sir, I would like to point out that since I made that observation, there has been an announcement of the appointment of Sir Charles Innes, a former Commerce Member of the Government of India, to start an immediate investigation into British industries with that end in view. I earnestly hope, Sir, that before this session concludes, there may be a similar decision taken by the Government of India in regard to Indian industries.

My next suggestion was that there should be a thorough-going review of our fiscal policy inaugurated under the very different conditions which were prevailing in 1923. There have been weighty criticisms that the conditions prescribed for granting discriminating protection to an industry are too stringent and out of date in the circumstances of today.

I will not refer, Sir, to the other suggestions which I had made in my budget speech. But with regard to the excess profits duty, I would like to repeat the point made in the other House that some effort should be made to distinguish between profits arising directly out of the war and profits accruing from natural causes. I know, Sir, that the Honourable the Finance

Member, in dealing with this point, said that there would be a practical difficulty in making such a distinction. If the difficulty, Sir, be only of ascertaining which are war profits and which are normal profits, there is at least implicit in that statement an admission that taking advantage of the war, the Finance Member is levying the duty which sometimes must inevitably fall in part on natural profits. I put it to the Honourable the Finance Member that if the inability of his Department to make such a distinction in practice is the only obstacle in the way, it is open to him to lay down that if a party can make out a satisfactory case to the effect that a portion of his profits is due to causes unconnected with the war, that portion at any rate shall be exempt from the excess profits duty. I submit, Sir, that this suggestion is practicable and quite consistent with the principles of the excess profits duty.

Before proceeding further, I would like to dispose of a few other points. Sir, as a result of numerous representations by commercial bodies in this country the Government of India had agreed some months ago to keep war insurance rates at half an anna. It is surprising, to say the least, that the rate should have been enhanced to one anna, and thus increased the already heavy burden pressing upon Indian industries in war time.

I am glad, Sir, that the Honourable the Finance Member in his reply to the debate on the second reading stage of the Finance Bill in the other House agreed to consider the suggestion made to prevent the extra duty on matches from pressing unfairly and too heavily on the poor consumer. I hope that practical steps will be taken without delay to give effect to this assurance.

I submit, Sir, that the debates in both Houses have shown that an unanswerable case has been made out for the removal of extra duty on art silk industry. I, therefore, plead with all the earnestness at my command that he should take immediate steps to safeguard the art silk industry, power and handloom, from the adverse effects of the extra duty.

Sir, before I conclude, I should like to make a brief reference to the general situation in this country. There has lately been held in Bombay a representative conference consisting of leading men of experience and knowledge both in the political field and in industry and commerce. This Conference, under the distinguished Chairmanship of Sir Tej Bahadur Sapru, one of the most far-seeing statesmen of his generation, adopted unanimously a resolution suggesting the reconstruction of the Central Executive Council, so that India may put forth her maximum effort for the prosecution of the war. Sir, the differences between the Congress and the Muslim League are a matter of common knowledge and regret. It is a tragedy that when the fate of countries and of civilization itself is in the balance, there should be these internal differences between two largest political parties in the countries. Sir, it is not the self-government of India alone that is at stake. What is at stake is the right of nations to exist and to develop their own culture and civilization.

Sir, as a businessman it is not for me to analyze the terms of the resolution of the Bombay Conference. That I must leave to my political friends in this House and outside. But I do think that when a resolution is adopted with the authority of men like Sir Tej Bahadur Sapru, Sir N. N. Sircar, Sir Jagdish Prasad and the other distinguished individuals who took part in the Conference, the British Government and His Excellency the Viceroy should take serious note of the proposals and see whether the differences between the offer made by His Excellency in August and the resolution passed in Bombay cannot be bridged over by friendly discussions. I think, Sir, I am voicing the opinion of a vast number of people whatever may be their political views, in urging that His Excellency and Sir Tej Bahadur Sapru should come together

[Mr. Shantidas Askuran.]

as soon as possible for friendly discussions with a view to reaching a settlement. Even if a final settlement is not reached at once, I have no doubt in my mind that if a clear indication of the intentions of His Majesty's Government regarding their Indian policy is made, the Congress and the Muslim League may be induced, sooner or later, to come together in a spirit of constructive statesmanship. Nothing will enhance the morale of Britain and her Allies, at this juncture, than the knowledge that India's dignity and honour having been satisfied, she is unreservedly throwing all her resources into the common cause.

With these remarks, Sir, I close my speech.

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

The Council reassembled after Lunch at a Quarter to Three of the Clock, the Honourable the Chairman (the Honourable Sir David Devadoss) in the Chair.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Mr. Chairman, I think I would be right in saying that whatever be the controversies connected with the merits of the proposals embodied in the Finance Bill—(and I am prepared to say that I am in agreement, so far as the merits are concerned, with the Finance Bill; I have no criticism to offer so far as the merits are concerned; I think that a little taxation does not do us any harm and I would like the present policy of financing war expenditure by taxation and borrowing to be continued)—and howsoever much we may resent and bitterly criticize the attitude of Government towards the political aspirations of India, we are all agreed in this, that India's safety, India's interests, India's future, require that democracy should triumph over the forces of Nazism and Fascism and that the war should end in the establishment of a world order which would enable all countries, big or small, to live a free, peaceful and harmonious existence. That the international situation is full of peril not only for Britain but also for the dark and brown races who, whether willingly or unwillingly, find themselves tied to Britain, cannot be denied by any reflecting, any thinking, any patriotic man. We, on this side of the House, have never minimized the gravity of the international situation and the need in view of that situation to reorganize and strengthen our defences to the utmost of our limited capacity. I do not wonder, therefore, at the enormous increase in the Defence Budget which is the largest that this House has ever been called upon to consider. I do not wonder that it has reached the colossal figure of Rs. 84 crores and that it can be met only by increasing the burden on the taxpayer. What I have wondered at is that this heavy and increasing war expenditure has not made Government realize the imperative need for a national policy and stricter popular control in all matters pertaining to India's war effort and India's defence. People who are being asked to make heavy sacrifices, who are being asked to identify themselves completely and whole-heartedly with the just cause for which Britain is fighting valiantly, have surely the right to expect that they shall have a controlling voice in the formulation and execution of war policies, and it never seems to have occurred to this unimaginative Government, entirely cut off, as it is, from the main springs of national life and thought, that people who are vitally interested in the future of this country—more vitally interested in the country than temporary sojourners who emerge out of their obscurity

in their retirement to clamour for more privileges for themselves whenever there is any question of constitutional advance—can have a legitimate grievance against a Government which has neither trusted them nor endeavoured in the past to develop their economic and industrial resources. For, if the blunt truth is to be told, it is this. Britain has relied for her war effort in this country, not upon appeals to the hearts and imagination of the people, not upon creating spontaneous enthusiasm by appealing to their idealism, to their finer and nobler instincts, but upon exploiting their fear complex, their instinct for self-preservation, their dread of the unknown future. That, surely, Sir, is a weak reed to rely upon for, if you desire a man or a nation to make the maximum effort which a total war such as we are witnessing necessitates, you must place before him or it a noble ideal, a worthy ideal, an ideal which takes you out of your self and which enables you to identify yourself with the social self. We see in individual life how disastrous the results of associating morality with fear can be. For we see that if we associate an idea with fear and the fear breaks down the psychological reactions are disastrous. What is true of individual life is also true of national life. The fear complex only works upon a man or a nation up to a certain point and it is this basic fact which British statesmen who are responsible for the formulation of policies in regard to India have failed so far to understand. For if truth has to be told, they—and the responsibility of the men on the spot is great in this matter, for they have been advisers of His Majesty's Government—they have argued to themselves that popular support does not matter, that people will out of fear of the unknown support them in any case and under all circumstances and that it is safer from a British point of view to keep the direction of effort in the hands of the present Government and not trust people who are not of your own race and blood. I wish to be perfectly frank with the House. I think it is this mentality, it is this complex, it is this distrust which is responsible largely for the political deadlock in this country, which is responsible for the disquieting indifference to the basic issues which, to an idealist like myself, this war raises, to the hostility which is alien to the genius of the Indian race, which finds expression in empty war slogans and to the demand for freedom of expression in regard to war effort at a time when we all ought to be thinking in terms of winning the war. I was therefore sorry to find my esteemed friend the Finance Secretary misrepresenting, no doubt unconsciously, the attitude of those who were, as an indication of their dissatisfaction with Government, voting against the supplementary Finance Bill. For he accused them in the last session of encouraging Hitlerism. Let there be no mistake about our attitude. We detest, we abhor, we loathe Nazism and Fascism. We have never compromised with Fascism and Nazism, we have never connived at the rape of Czechoslovakia and the conquest of Abyssinia; we have never connived at Japanese aggression in China. How can we who are struggling for our freedom, who are yearning for the dawn of a better day for our country, who are dreaming of a world in which weak nations like India shall have assured to them the freedom to express themselves in their own way and make their contribution to the sum total of human thought and endeavour, how can we, I ask, wish for the success of powers who stand for racialism and imperialism in their most ruthless and disgusting form? How can we wish to see our slavery perpetuated, our bondage strengthened, our hopes of ordered freedom frustrated? Here am I, 47 years of age, with a wife and five children, how can I wish to see my country plunged into anarchy, chaos, disorder? We have made it repeatedly clear, I wish to repeat what has been said so often before, that we desire earnestly, sincerely, whole-heartedly to support the war, but the co-operation that you seek must not be extracted out of fear. Co-operation implies equality and I repeat what I have said before that we are prepared to co-operate without any mental reservation, with absolute fidelity to the cause

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which you and we have at heart, if you seek our co-operation on terms consistent with our self-respect, on terms which we as human beings, with human feelings much the same as yours, can regard as just and honourable. It is not we as the Honourable Mr. Jones would say who are encouraging Hitlerism. But it is, however unconsciously, he and the Government of which he is a part who are encouraging Hitlerism. It is he and the Government of which he is a part who have encouraged by ignoring middle opinion, by considering it of no value whatever the development of a situation which I regard as of great danger to the peace and stability of the political, economic and social structure of this country. In my speech on the supplementary budget I criticized at some length the declaration of His Majesty's Government made in regard to both the future and the present. My personal view is that the situation in India would have been vastly different if at the outbreak of the war His Majesty's Government had made a clear, an unequivocal declaration, that India would have dominion status within a definite time after the war, say one or two years, and that in the *interim* period the direction of Indian policy including the war effort would vest in an Indianized Executive Council working as a Cabinet commanding the confidence of the main political elements in the country's life. Mr. Amery's offer to expand the Executive Council in August was a belated one and was not sufficiently explicit on certain points of importance. We were given no indication of the portfolios that would be placed in charge of Indians, of the size of the Council and the strength and composition of the non-official element in the Council. We were not civil servants who could join the Executive Council on any terms. We were representatives of political bodies who could join the Executive Council on certain terms only. But Mr. Amery had made it clear that whether Congress came in or not he would proceed with the expansion of the Council. It was only later when the Muslim League refused to join the Executive Council except on its own terms that he resiled from the position that he had taken up and that he indicated that he was not prepared in the circumstances to proceed with the expansion of the Executive Council. We are entitled to know the reasons for this change of front, for there is a change of front. How is it and why is it that His Majesty's Government have developed so suddenly a love for agreement among political parties and put agreement between political parties as a *sine qua non* of all constitutional progress? The Montagu-Chelmsford Reforms, as was pointed out in the very able speeches of Dr. Kunzru and the Honourable Mr. Mehta were introduced in spite of the opposition of Government. The Government of India Act of 1935 was not passed upon any agreement between the representatives of India and His Majesty's Government, and the federal part of the Act, which despite all its defects and shortcomings, would have brought the two Indians together would have been functioning today if the war had not come in and altered the situation. Britain's obligations are not going to be a matter of agreement between India and England; they are going to be settled by His Majesty's Government. The emphasis on the representative character of those who join the Executive Council has created a political stalemate and surely His Majesty's Government cannot escape responsibility for this stalemate. We have gone back to the pre-Minto-Morley days—it may be a source of comfort to my friend Sir Muhammad Yakub who has got a comfortable job in Hyderabad—we have gone back to the pre-Minto-Morley days and in six provinces we are being ruled by British Governors and Advisers drawn from official ranks. At the centre we have an antediluvian Government, too wooden and too iron, for the requirements of a changing world. Great and powerful as the Congress and the Muslim

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League organizations are, the country is greater than either of these organizations and the so-called political orphans of the Bombay Conference, with whom I find myself in entire, in complete, agreement, represent a body of opinion which, had Government listened to progressive opinion, would have been much stronger than it is today. If moderate opinion is weak today, may I ask whose is the responsibility? What people want is some great step, some definite step, which would show them that Government is in earnest, that Government is sincere, in its desire to lead India on to fullest self-government. People are fed up with promises. They can point to a string of broken promises and they want action; they want something done. You can fool all people for some time, you can fool some people for all time and you cannot fool all people for all time, but you can fool yourself for all time. The critics of the Bombay Conference ignore the psychological effect which a policy of political appeasement will have upon the country as a whole. The Congress reactions—if I may judge by the Congress press—and I know a large number of Congressmen myself—have not been unfavourable and I venture to assert with some confidence that the Congress has been driven into its present policy because of Britain's unsatisfactory response to India's demands. If you completely Indianize the Executive Council, you will show to the people that you are liquidating your Imperialism. That will be the best proof that you can give to the people that you mean business, that you mean to end your Imperialism in India. A completely Indianized Government would, as Sir A. P. Patro rightly said yesterday, not be very different from the national Government demanded by the Congress at Poona. It would help, therefore, not perhaps immediately but in the very near future, I am certain of that, it would help, therefore, to solve the deadlock in the provinces. It would give to India a Government which could speak with authority on behalf of the people of India at the time of the Peace Conference. Sir, I shall consider the argument against expansion and complete Indianization of the Executive Council. That argument was put forward by Sir A. P. Patro and by several other speakers and I shall speak with the restraint which a Member of this House must observe in dealing with delicate questions. The argument against proceeding with expansion is that two political organizations that matter are unwilling to join it and—

THE HONOURABLE MR. HOSSAIN IMAM: We have never stated that, Sir.

THE HONOURABLE MR. P. N. SAPRU: My friend will have a right to speak. We have got limited time today. And that expansion of the Council will not bring added strength to the Government. From the administrative point of view it is said that expansion is not necessary. You do not want to multiply portfolios, and from a political point of view it will help to solve nothing. My answer to that is that if the Council is completely Indianized and collective responsibility in regard to all vital matters recognized, I am in the first place not without hope that the Congress will come in, but assuming that it does not, are we sure that it will persist for any length of time in its refusal to join the Government? For it is of the essence of the Bombay plan that the unattached men appointed to the Council will be at all times only too ready and eager to give place to those who command a larger political following. Just let me draw your attention to what happened in the provinces after the new Act came into force. The Congress was not prepared to accept responsibility unless a certain assurance was given by His Majesty's Government in regard to the manner in which the safeguard shall be employed. The Constitution was not suspended and *interim* Ministers were appointed. When Congress

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decided to come in the *interim* Ministers relinquished office and the deadlock was then ended. Men appointed to the Council would similarly pave the way for a larger settlement. The Congress, after the Council is Indianized and expanded, will have to review the situation. Is it quite certain that Congress attitude will not undergo a modification if Mr. Amery's offer is really liberalized? I do not minimize the importance of an understanding between the Congress and the Muslim League, but I am not prepared to admit that the League any more than the Congress represents all sections of Muslim or Hindu opinion. The League cannot speak on behalf of the Muslims of the North-West Frontier Province; the League cannot speak on behalf of large sections of opinion in Sind.

THE HONOURABLE MR. HOSSAIN IMAM: All by-elections have gone to us.

THE HONOURABLE MR. P. N. SAPRŪ: There are important organizations which do not accept the League's leadership. Does the Honourable Sir Hissamuddin accept the leadership of the League? Is Sir Muhammad Yakub who is a nominated Member of the Government prepared to accept the leadership of Mr. Jinnah? Will he get his nomination if he accepts the leadership of Mr. Jinnah and is Government prepared to say that he is not a representative man? What then is the use of saying that the League represents the entire Muslim community? No one deplores more than I do the unfortunate differences that divide this land. We, Hindus and Mussalmans, are inheritors of a great civilization, and an ancient culture. The process of assimilation between the Hindus and the Muhammadans had gone far in the pre-British days. I cannot forget as an Indian nationalist that the greatest Indian nationalist of all ages was a Muslim—Akbar. I am prepared to say as a Hindu that Muslim rule as compared with continental rules of that era was far more tolerant. (Hear, hear.) Hindus and Muslims were able to evolve a common culture, a culture of which I am equally proud with my friend the Honourable Mr. Hossain Imam. I do not think of the past, I do not think of the present, I only think of the future. I therefore earnestly desire that it may be given to us to reach a settlement. But I would say that great as our difficulties are, they have been accentuated and intensified for us by His Majesty's Government by unfortunate declarations at inopportune moments. The specific charge against them is that they have encouraged on critical occasions communal intransigence by their declarations. His Majesty's Government say that they are not prepared to coerce large sections of the population into living under a rule that they do not like. May I ask them whether they are prepared to coerce an overwhelming section of the population. If we accept the position that the Congress represents the Hindu community you will be driven into admitting the logic of my argument—are they prepared to coerce an overwhelming section of the population into living under a system of government which they detest? His Majesty's Government say that common agreement is a *sine qua non* of political progress. But they are not prepared to indicate what the size of the Executive Council will be. They are not prepared to indicate the powers that will be given to this Executive Council. They are not prepared to indicate the portfolios that will be entrusted to the Members of this Executive Council. *They are not prepared to say, and I wish to emphasize this, that if Indians come together the Executive Council will be completely Indianized and that Defence and Finance will be transferred to Indian hands.* They are not finally prepared to indicate

in the event of their failure to reach agreement, their decision as to the number of seats that they will be prepared to offer to the various elements in Indian political life. Hypocrisy, and I use that word deliberately, could go no further. Why not face the facts, Sir? Why not face the fact that Britain is not prepared to surrender power in this country: that she wishes to cling to power with all the tenacity of which she is capable? The Honourable Sir A. P. Patro said yesterday that the Bombay Conference had asked for a declaration of independence. It has done nothing of the kind. Nations fight for realities, not for shadows. I realize that the Bombay Conference has asked for Dominion status within a definite period of time. The Bombay Conference leaders know that situated as we are we have to accept the leadership of one race or the other in this world, and the Conference has deliberately chosen to accept the leadership of the British race. It has asked for Dominion status, and not Independence. It is quite true that Dominion status is not virtually different from Independence. From my point of view there is hardly any difference. But it has not asked for a severance of the British connection. The Bombay Conference has asked that you must indicate the time within which you will give Dominion status to India. How and why I ask, is it difficult for you to indicate the time within which you will give Dominion status to India? Is this Dominion status to be a sort of elusive thing for which we are always seeking and which we never will achieve? Big changes and events are taking place in the world. His Majesty's Government were prepared to offer a Franco-British Union at the time that France was collapsing. Anglo-American Union is not outside the realms of practical politics. His Majesty's Government, Sir, can devote time to problems of post-war reconstruction. They have no time to devote to this poor tiny little country called India whose support they can command on any terms they like. Sir, the international situation is full of possibilities. What is wrong from our point of view—you must approach this question from our point of view—in this demand for a clarification of your aims with regard to India? Why should we not want to know what you intend to do with this country during the war and after the war? The Bombay Conference, Sir, has never claimed that it speaks for India. The organizers of the Bombay Conference are a modest body of men. The are not totalitarians like my Honourable friend Mr. Hossain Imam who takes his orders from a dictator. They are all practical men, honest men, sincere men, patriotic men, men with considerable legislative and administrative experience, who have given some thought to the political problem of India. It was presided over by a man of whose ability, integrity, independence and patriotism it would not be proper for me, standing as I do to him in a particular relationship, to speak. (Applause.) One of the foremost leaders was an honoured Member of the Executive Council of which my friend the Leader of the House is an illustrious Member to-day. I mean the respected Sir N. N. Sircar, who commands the confidence of all sections of the Hindu people. It had as its members the dynamic figure of Mr. Savarkar, the respected and venerated Mr. Aney, who can speak for large sections of the Indian people. It was attended by the foremost Indian journalist, Mr. Srinivasan, the editor of a Congress paper. There were some Muslims of eminence also in that Conference—there was Sir Sultan Chinoy, who is a brother of our respected and esteemed friend Sir Rahimtoola Chinoy. Sir, surely these men—Savarkar, Aney, Sircar, Syamaprasad Mookerji—represent a much larger section of the public than is represented by the present occupants of the Treasury Bench. And the significance of that Conference is this. As men who have given earnest thought to the problems of this country, who want the connection between

[Mr. P. N. Sapru.]

England and India perpetuated and purified, they have come to the conclusion and I wish to make it clear to the Honourable Sir A. P. Patro, that it is impossible for middle opinion to assert itself and organize itself into an effective body until Government helps that middle opinion by following a policy of conciliation: until Government enables that middle opinion to go before the country and say "You have achieved the substance of freedom, the objective is within sight, do not fight for shadows; seize the opportunity and do not allow yourself to be fooled by people who will plunge the country into chaos, disorder and anarchy". I ask my English friends to imagine the position of India and England reversed. Supposing the miracle had occurred, and we were the dominant race in England and that there were deep cleavages between the English peoples, and that we had by our policies accentuated those deep cleavages. Supposing that we were fighting for our freedom and their freedom. Would their moderate men have any chance with their countrymen, who would naturally want freedom for their own men, if they had no constructive achievements to their credit, if they could not show to their people that by the method of constitutional agitation, by the method of negotiation, by the method of discussion, they had been able to achieve racial equality and freedom for their men? What would have been the attitude of the British people in the event of India's fighting a right cause and getting involved in a war with a mighty power? Would they not have doubts about their future? Would they not raise questions about their future at that time? What is sauce for the goose is also sauce for the gander. If the Moderate Party is weak today, if the Liberal Party is weak today, if the right wing of the Congress is getting weaker, if the extremist elements of the Muslim League are getting stronger today, whose, I ask, is the responsibility? Who has killed the Moderate Party in this country? (*An Honourable Member*: The Congress.) Bad political, social and economic conditions have encouraged these movements. We can fight extremism only if Government co-operates with us and if Government makes it clear to people that the voice of moderate men counts and that it is prepared to concede to the country what the country so ardently desires, the freedom to live its own life, unhampered by alien Imperialisms. May I ask the Treasury Benches to reflect over this situation also? Do the Congress and the Muslim League exhaust the whole country? If Government's interpretation of the Congress attitude is correct, the painful conclusion is that India is not behind England in her war effort, and that the country at all events finds little to choose between Fascist imperialism and democratic imperialism. Is Government prepared to accept that position? Are my British friends prepared to accept that position with all its implications? I am not prepared to accept that position. I am not prepared to say that there is no difference between Fascist imperialism and democratic imperialism. But if you say that the only organization that matters in the country is the Congress, if you say that the only organization that matters so far as the Muslims are concerned is the Muslim League, then you are driven to the position that these organizations are not supporting you and that they are more hostile than ever to you. Therefore, so far as the country is concerned, it has condemned you so far as this war effort is concerned. Are you prepared to accept that position? I would beg leave of the House to point out that the demand of the Bombay Conference is not an extreme one or an unreasonable one. The constitution envisaged by the Bombay Conference for the transitional period is more moderate than the constitution provided for us by the Government of India Act, 1935. We have not asked, as was pointed out by the Honourable Dr. Kunzru, for responsibility to the

Legislature. Defence would possibly have been in our hands if Federation had materialized. You were prepared to go ahead with Federation. Federation would probably have materialized but for the war. The Indian delegates, in their Memorandum to the Round Table Conference, had asked for an Indian Defence Member and the Joint Select Committee never turned down that request. They left it an open question. They did not say that the Defence Member must be an Indian, but it was thought that he would be an Indian. If you read the resolution of the Bombay Conference, you will find that the position of the Commander-in-Chief has been clarified and recognized as the head of the army. You want people to co-operate whole-heartedly with you. You want people to make heavy sacrifices for your war effort. You want them to shed their blood, you want them to spend their treasure on you, you want them to give you their political blessing, you want them to say that politically you are a clean lot of men. Is it unreasonable on their part, in those circumstances, to ask you to associate them with the conduct of war affairs? Assuming that unattached men are not completely representative, is it suggested that they are less representative than the seven official members of the present Government of India? Sir, two of the men associated with the Conference, Mr. Aney and Mr. Savarkar, were men who were actually consulted by His Excellency the Viceroy in regard to the formation of the Executive Council. Are you prepared to condemn these men as unrepresentative men? Why did His Excellency the Viceroy, who has gone into purdah, consult these two eminent leaders if they were unrepresentative? Why did he send for them at all? What is the use of talking in this strain?

Sir, I was talking to a very distinguished official the other day. He said in very decisive and emphatic tones that His Majesty's Government are quite decided that they cannot go further than Mr. Amery's last offer. There is nothing final in politics. My earnest suggestion is that a serious effort should be made to end the deadlock and that Mr. Amery, accompanied by some eminent Parliamentarians, who have got the House of Commons and not the House of Lords manner, who have distinguished themselves in public life by reason of ability, not by reason of birth, should come to this country and meet the politicians and statesmen of this country, because I know that Mr. Amery lives in a freer atmosphere than the men on the spot and he will be able to view the Indian situation from a broader angle than the men on the spot. Why can't Mr. Amery emulate the example of my old and distinguished friend Mr. Eden—I claim to have friendship with him, he was a contemporary of mine at Oxford; I knew he was going to be a brilliant man in those Oxford days; I am naturally, as an old contemporary of his, proud of him—why can't Mr. Amery emulate the example of Mr. Eden who has been visiting Egypt, the Middle East and Turkey, and who has been spending so much of his time in these places, organizing opinion, meeting people, strengthening the diplomatic front? We need in this country at this hour men of the House of Commons temperament, men who can talk freely to people, men who can bring to bear upon their task a little more imagination than the men on the spot with their little prejudices and predilections. Sir, why can't, as the Honourable Dr. Kunzru said, the Prime Minister, Mr. Churchill, who has shown himself to be a great leader in a national crisis, speak in his own imaginative manner to the people of this country? Why can't he forget his past in regard to India? Why can't he speak to us and make an appeal to the people of this country? Why can't he say "freedom is yours, the direction of war effort is in your hands, come and help us as comrades in fighting the most disgusting and ruthless imperialism that the world has ever known". Sir, from the constitutional issues I shall now pass on to the question of Indianization of the Services.

[Mr. P. N. Saprui.]

I had a lot to say about Indianization but I will take only a little time. I will co-operate with you there, Sir. The Montagu declaration was divisible into two parts, Indianization and responsible government. Now I have been studying the Combined Civil List and I have got a large number of facts which I am not going to set out because I shall take the opportunity of raising a specific discussion on this issue. What I wanted to say is that, I should like to be corrected if I am wrong, after the inauguration of provincial autonomy there has been a tendency to increase the European element in the Secretariat. Why is it that Indians are not to be found in key positions? The case of the Supply Department was stated by the Honourable Dr. Kunzru yesterday. I find that the position in regard to the Railway Board is not much different. There is one Indian member of the Board but all the others, the Secretary, the Director of Traffic, the Director of Establishments, all these are Europeans. At one time these posts were held by Indians. Similarly, I am not satisfied with the state of affairs so far as the Secretariat is concerned in the Home Department. Out of about 11 officers there are only two Indians in comparatively minor posts. From our point of view these posts in the Secretariat are very important positions. I am also not satisfied with the rate of Indianization in the Indian Police. The present strength of the Indian Police is 632 and out of these 422 are Europeans and 194 Indians. I know the calibre of the ordinary Police Service man. I do not think you can say that you cannot get first class graduates of Indian Universities to compete for the Indian Police. I do not see why this ratio which you fixed arbitrarily at 60 for Europeans and 40 for Indians should continue? Then I wanted also to state that since I moved the Resolution on the Civil Service in this House I have had a message from the students of Allahabad University supporting the view which I had put forward, namely, that I.C.S. recruitment should be suspended during the war. It will interest my friend Mr. Hossain Imam. I can show him that letter. Muslim students asked me why Mr. Hossain Imam had taken this line because they would have benefited if a larger number of Indians had been recruited in the I.C.S. I said you have to ask your leader the Honourable Mr. Hossain Imam. Then I would like also to refer to the fact that the Indian strength in the High Courts needs to be increased. We were told in 1937 when Mr. Muhammad Husain moved his Resolution that the proportion of Indian Judges to European Judges was 51 to 49. We want to know what the position of Indian Judges in the High Courts is, whether there has been any increase in the Indian personnel of the High Courts. It is rather an extraordinary fact that the key positions in the provinces are held by Europeans. The Governors are Europeans, the Chief Justices of High Courts are all Europeans. There is only one Indian Chief Judge of a Chief Court, but there is no Indian Chief Justice. You mean to say that Indians have not distinguished themselves as lawyers. You cannot say that they have not rendered a good account of themselves as jurists. I cannot understand why there is this racial discrimination in this matter of appointing Indians to high judicial office.

Sir, I must redeem my promise and bring my remarks to a close. I have indicated what our main grievances against the present Government are. I have indicated what our attitude towards the war is; our sympathies are entirely with the democratic cause. You may accuse us of encouraging Hitlerism. I will not be deflected from the course that I have determined for myself. But we are determined to show our dissatisfaction with you and the only constitutional method by which we can show our dissatisfaction with you is by refusing to vote for this Bill. We are therefore going to oppose this

Bill. We will challenge a division. We will vote against it because we are completely dissatisfied with the attitude of the British Government towards India's constitutional advance. The vote is not a vote against the war effort. The vote is against the manner in which India has been treated by His Majesty's Government and by the Government of this country.

Sir, these are the observations that I have got to make on this Bill.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. Chairman, the Finance Bill of this year has been so overshadowed by the political and communal considerations that it is difficult for any one to discuss anything but these subjects. This is probably the 12th Finance Bill of my time in this House, and I do not remember to have been called upon to discuss matters unconnected with finance as much as I am today. I find that in my allotted time I will not be able to deal with the financial and economic subjects even cursorily. Nevertheless I should like to preface my remarks with some observations on the Finance Bill itself. The Finance Member had a light task in the Assembly. He had very few items to reply. I think the Finance Secretary is luckier still and he has fewer subjects to deal with. I have only two observations to make on the financial proposals. The House will remember that last November I brought forward a Resolution in which I asked the Finance Secretary to increase the excess profits tax. I had suggested it should be doubled. He has increased it by 33 per cent.; so I cannot find any fault on high taxation. But I have always been urging that giving share to provinces is wrong. The justification for excess profits tax is the war, and only those who are responsible for war efforts should get the proceeds of this tax. It is not a normal peace-time taxation and they have realized it to a certain extent. There are two items of additional taxation, one is the surcharge which goes entirely to the centre and the other is the excess profits tax. As the excess profits tax realized from corporation tax or from companies being 84 per cent. goes entirely to the centre why not treat it as a central surcharge. It is only the excess profits realized from individuals which is placed in the pool and divided half and half. This year according to the estimates they have got Rs. 33 lakhs in the pool and that is going to be divided. Next year the amount will be much more. They have got Rs. 5 crores and 1 lakh as surcharge on the centre and Rs. 9 crores and 44 lakhs from Corporation and individuals as excess profits tax. There is only the sum of Rs. 1 crore and 42 lakhs which is to be divided. Rs. 71 lakhs is to go to the provinces. If you consider the prosperous condition of some of the provinces like Madras, you will agree that your policy is to give where it is not required and take away money from those who require it badly. Why should you pass to future generations a part of a burden which you can yourself shoulder? The provinces are in a good way. Most of them are prosperous. Therefore there is no necessity of giving excess profits tax to the provinces. The only factor which is standing in their way is prestige. They have once decided to give, howsoever a small amount, and they are not prepared to listen to advice. It does not add a penny to the Indian Government. Whether it is placed in the coffers of the centre or the provinces, it will remain Government money, but it will ease the situation a little. To that extent it should be considered. My only disagreement with the Honourable the Finance Member is on the match duty. Although a defence was made by the Finance Member that it is a smoker's tax and he cited his own example of how heavily he will be taxed as he consumes a box a day, in spite of that, I would like some assurance from him on a subject which has not been clarified in the other House. The Honourable the Finance

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Member stated there that the limits of 40, 60 and 80 were not such that they could not be changed. He suggested that under the Act it would be possible for him to vary the taxation if the contents of the boxes were reduced or increased. I am not clear on that subject. What I want from him is an assurance that matches will be available to the public at the price of 1½ pice and 2 pice respectively for 40 and 60-stick boxes. Is he prepared to give us this undertaking? Then we would have no objection. The price of matches is in such small coins that fine changes cannot be made. It has to be in multiples of half a pice. At the moment, Sir, what is the position? A gross of 40 sticks match box at the rate of 1½ pice costs Rs. 3-6-0, out of which the Government gets Rs. 2 as excise duty. This leaves the match manufacturer, the wholesalers and the retailers with a margin of Rs. 1-6-0 on a 12 dozen box. In the other category of 60 sticks you will find that at the rate of 2 pice the price comes to Rs. 4-8-0. You are going to charge a duty of Rs. 3. You leave the retailer and the manufacturer with Rs. 1-8-0 for a quantity which is 50 per cent. higher than Rs. 1-6-0. It is a physical impossibility. You have either to reduce the contents of the box or to increase the price. The Government has given no assurance that they will see that prices do not go above 1½ pice and 2 pice for these contents. I am very much afraid that when a final settlement is made we will find that match boxes contain lesser number of sticks.

Sir, I was going to discuss the uneconomic competition which is offered by industries established in the States, but as the time is short and we will get an opportunity to discuss this matter on Dr. Kunzru's Resolution, I shall not dilate on it. But I should like to mention that while everyone from His Majesty downward has praised the Indian Princes for their generosity, no one has a word to say about the burden which is thrown on British Indians, be they industrialists, capitalists or consumers. We are heavily taxed, whereas the Indian State people are not. The Indian States and their people are contributing nothing compared with their population or their wealth to war expenditure which is being incurred today. Everybody has praise for them, but no one looks at the realities of the situation. Have you considered how slight is the help which they are rendering? If even at this time central taxation cannot be imposed in Indian India by means of arrangements by the Paramount Power I wonder when the time will come. We are in the midst of a war on which depends the life and death of the Empire. Kingdoms are falling in Europe like houses of cards, and yet we in India are living in a fool's paradise. The Princes and Government are thinking of treaties and arrangements made a hundred years ago when there were no conditions existing as prevail today. I do appeal—not to the Government of India because it has no *locus standi* but—to His Majesty's Government to realize what are the issues involved and equalize the burden between British India and Indian India. But there is one thing in which the Government of India is also failing. It is in the matter of the plight of primary producers, the agriculturists, the producers of foodstuff for combatants. I know the difficulty in which His Majesty's Government is placed. I know that shipping is too valuable to be spared and it is required elsewhere, where it can do greater service to the common cause than it could in India by carrying goods. But the instances which were cited in the Assembly by Hussainbhoy Lalji, one of the spokesmen from Bombay are really disgraceful if they are facts—that in our own country we should be discriminated against; that there should be this sort of treatment meted out by the Conference lines to our own shippers is a thing which ought not to have existed in peace time and which cannot

exist in war time in any country which claims to govern in the national interest. Then, Sir, there is another aspect in which the Government could help us. While there is a glut of money in commercial centres, agriculturists cannot get money, whether they beg or borrow. There is no money available to agriculturists. The Government can make a beginning by making a start on the lines of agricultural credit administration of U. S. A. in the centrally administered areas. Example is better than precept. We have been at this game of examining schemes long enough. It is actual example which will greatly facilitate the start of this kind of movement in the provincial areas.

Sir, we are faced with such difficulties—there is no shipping space available, things are rotting; the other day a deputation from Madras of tanners came: I do not know what promise they took from the Government of India: but I know this, that their troubles were very real. I have an instance from my own constituency. Orissa, although separated from Bihar, is still part of my constituency and from there I got a case just now, Sir, in which a hide tanner in Orissa whose maximum income-tax had never exceeded Rs. 3,000 had been asked to pay Rs. 35,000 for the year 1938-39 besides the usual contribution for 1940-41 (*An Honourable Member*: Congratulations) of which he has paid Rs. 10,000. He has preferred an appeal and this appeal has already been heard thrice. I have not examined the case but it is stated that as the Government had made a constitutional error the appeal must wait till Government passes a validating Act. All the same Government presses the demand, and the income-tax authorities want their pound of flesh. The poor man is in a predicament, and this House knows that Government has stopped all shipping. He is solely an exporter. His goods are lying and he cannot export it, and yet he has to pay the demand. Neither is he given the time nor the facilities to pass on his goods.

Sir, I shall now revert to the questions communal and political. Mr. Chairman, the service question is one on which I wish to lay some stress. It has been the practice of the Government to brush aside all our complaints against the services on the ground that we want special treatment. Our friends on the right help those on the left by giving their moral support, and this had brought out the display of communal bickering in which they indulged the other day—I think it was on the 25th and 27th February. Sir, the question has to be considered in rather a dispassionate manner. The conception of the Government has changed enormously. The Government's function in the former days was only to govern and to maintain order. Now a Government which only maintains order and does not do anything to advance the prosperity of the country would be turned out. A Government which is not careful of the interests of the citizens would not stand a day's test in a democratic country. It is universally regarded that one of the economic functions of the Government is to act as a cistern. It has to take money from those persons and places where it is bulging and too much of it is accumulated as in Bombay, and to distribute it to those barren soils where money is not to be had. It should be like a canal which brings water, which is going waste to the ocean, and increases fertility. *These are the economic conceptions of today, and as such I do not crave, I demand my right, for a share in the disbursements of Government.* I am not ashamed of it. I say that I have a right and the Government which is not willing to give me that right will have to fight. All our troubles have arisen, Sir, because we were late in the day, our difficulties are the counterpart of the British Government's troubles in this war. Germany had started ahead: Hitler had armed himself, and you find to your cost how difficult it is when you have to face an

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organized party. With all the help of the U.S.A. you have not come up to the German standard, and you are surprised that we Muslims, who have no one to champion our cause—neither the Hindus, nor the Treasury Benches do not make headway. All obstacles are created by interested persons to bar our way. Sir, the amount of disregard which is evinced by the highest officials of the Government is something which in other spheres would have been called criminal negligence. Our friends who are in the majority of employments in the Government service have got one motto—It is “*He who has more shall retain it and get more, whether he be the Anglo-Indian, the European or the Hindu*”——

THE HONOURABLE MR. P. N. SAPRU: Or the Muslim!

THE HONOURABLE MR. HOSSAIN IMAM: Muslims have no majority anywhere. “*And he who has little shall never demand more, and if possible he may be made to give up even that which he has*”. This is the motto which is always held by those who are in control of the services. You have legislated in favour of labour to check the capitalists. What have you done for us? The Resolution in 1934 as passed by the Government of India in the Home Department was hedged in with so many reservations that it has become a dead letter. We have been asking for our safeguards—it is not safeguards, it is a misnomer to call it safeguards—we have been asking for our rights. Sir, after fighting for years and years together we got that award which was called the *chhota* communal award by some of our friends, but which in reality was nothing by a pious wish. Let me tell you some of the hurdles that were put in the way. First of all it did not apply to promotions. Now the easiest way out for our detractors was to make open recruitment more and more scarce and to start filling the services by promotions. Secondly, Sir, technical posts were to be exempted from it. Sir, how every ordinary post can be made technical was shown in the course of the replies in connection with the Archaeological Department in the Assembly this session. Sir, after all these hurdles there are other handicaps. The Mussalman does not end his troubles simply by entering service. His trouble begins anew when he enters service. First of all it was closed to him. Then it opened the door, and in passing he finds that the door is being closed behind him, and he is being squeezed. Sir, if I had more time at my disposal I would have given innumerable instances of the ways in which we are oppressed, suppressed, and victimized. I shall merely give one or two instances. One is closely connected with the Honourable the Finance Secretary. I heard that in order to compensate the Secretariat people for the disappearance of the post of Assistant Secretaries, the Government has decided to make one appointment of Income-tax Officer every year from the Secretariat. The question arose whether it should be treated as promotion or direct recruitment. As it is not in the same line as the Secretariat

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service, it could not, therefore, be regarded as promotion. It should, in justice and equity, be regarded as direct recruitment although the field of choice is restricted. Now, what happens? The roster of the Home Department says that the second job should go to a Muslim. The appointment is made of a non-Muslim, and the reply given to us is that it will be adjusted in the province to which the persons are posted, completely forgetting and marking the fact that Income-tax officers in the provinces are not directly appointed. They go there by promotion. You give us compensation at a place where there is no compensation to be had. If we

ask for compensation there, we will be told that this is promotion and so we cannot claim reservation as a right. Sir, the reply was given to a question in the Assembly last session that the deficiency will be adjusted in the provinces. I ask, is it honest to delude people like this? We are not supposed to know of the ins and outs and secrets of the services. Believing in the Government we are content with asking a question and on getting a reply, and we think that Government has given an honest solution. But when we go deep into it, we find that there is a snare.

Another instance. The Mussalmans are supposed to be so unfit that they are scarcely eligible for promotions. The Communications Department is in the charge of the Honourable Sir Andrew Clow. In the course of my statement of 25th February, Sir, I had said that we had not received even in the direct recruitment to the superior gazetted ranks the quota which was fixed for us, and I was vindicated by the reply which was laid on the table of the House in reply to my question No. 133 yesterday. The number of direct recruits to superior posts made from 1935-36 to 1939-40 totalled 91. These appointments were made by the Federal Public Service Commission. Out of 91 appointments to which this award applied, do you know what was the magnificent number that was given to the Mussalmans? Fifteen. *And yet you say that you are doing your best.* We were not even fit to be appointed for a post which has been indicated in the reply as “Others” meaning neither the Engineering nor the Transportation nor Power nor Mechanical nor Accounts. Even in this miscellaneous category to which six appointments were made, not a single Mussalman was appointed and the plea is that Mussalman Mechanical Engineers are not available. Sir, it is plainly playing with the whole subject.

In reply to another question of mine, figures were not given as they were not readily available and possibly, next session, I hope to deal more fully with the subject. But here I should like to mention just one reply which I have received. I asked in my question No. 137: “If it is a fact that in the B. N., B. & N. W., M. & S. M. and E. B. Railways, the number of Mussalmans in the senior subordinate grades has actually come down.” The E. B. R. is one of those railways in which the quota of the Mussalmans has been fixed at 40 per cent. *Out of 1,650 senior subordinates, there were 51 Mussalmans to start with and there are 44 Mussalmans left now, and you say that you are doing your best for us.* It is not the person in authority who is to be blamed, it is the system which is to blame. The person in authority is to be blamed for supporting the system, for turning a blind eye to our grievances, and for not looking at the facts as they should be faced. This is the fault of the authority and that is the fault of the system.

Sir, I will cite only one more instance. There are thousands of instances out of which I will cite only one on which I feel rather strongly. Sir, in the N. W. R. Moghalpura workshop—I know, Sir, that time is too precious for me to waste on any minor details, but this involves a question of major issue for our people and therefore I am spending some time on this. In the Moghalpura workshop, two persons who were employed, one as a foreman was a non-Moslem, and the other as a senior chargeman, was a Moslem. They were both called for interview for an appointment under the Supply Department. The non-Moslem was drawing Rs. 500 and holding the office of foreman. The Moslem was holding the post of a senior chargeman on Rs. 290. They were selected for gazetted rank on a pay of Rs. 650 including allowances. The non-Moslem was spared and the Moslem could not be spared. He was not even permitted to go up to his higher official to appeal against it. His case was sent to me by a mutual friend. I brought the matter to the notice,

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of Sir Andrew Clow, and yesterday I received a reply from him saying that he was satisfied that this system was all right, and that no injustice has been done to the Muslim, and he takes shelter behind rebutting the allegation that his retention in the Railways is due to a Hindu clerk having misguided the N. W. R. Now, that allegation was not the main complaint. The main objection was that if the man would die tomorrow, will that workshop stop? Or, if the man were to fall ill, will the workshop not go on? *I challenge the Railway Department to cite a single example in the whole of the Railways of a man other than a Muslim; be he a European or Anglo-Indian, or Hindu, who has been made to work on pay which is less than 50 per cent. of what was offered to him?* He has been retained against his will. He was not going to do any private work. He was going to the Supply Department to do war work. Do you imagine a man with such a grouse will ever retain his efficiency? How would any one of the Secretaries who is drawing Rs. 4,000 feel if he is offered promotion to a Governorship, but is refused to be allowed to go because he is efficient as a Secretary? Can you imagine such a thing happening anywhere else except in this Government which has got neither life nor soul nor heart? Sir, I had many instances which I had noted but I find that I have already taken more than half an hour so I will bring my remarks to a close on this subject.

The Honourable Mr. Sapru referred to a question to which I had no intention of reverting, but on account of his charge I have to reply. He referred to my attitude towards his Resolution on the I.C.S. The report of our proceedings of 27th February, 1941 has been published. It will be clear from its perusal that I had based my opposition on three distinct grounds, out of which one has been accepted by the Government. My opposition to recruitment was due to the fact that I wanted that our young men who are going to the war should have an opportunity of permanent employment when they come back. Was that communal? A second reason was that I regard the number of posts reserved for the I.C.S. as too high. Is the Honourable Mr. Sapru prepared to say that I.C.S. personnel should be retained for all the services, even for services which have been completely Indianized, that you must go on recruiting Europeans for the Indian Audit and Accounts Service, the Customs Service, the P. and T. and the Income Tax Service. All these are Indianized units. If you do not have I.C.S. recruitment to these services what will be the result? You will increase the Indian personnel. I never thought that Mr. Sapru would be so obsessed by the communal aspect of it that he would disregard all others and that he would champion the cause of children and college boys who are not expected to be as wise as their tutors.

THE HONOURABLE MR. P. N. SAPRU: May I ask what would be the effect on the character of the I.C.S. recruitment if some of these posts which go to the I.C.S. are diverted and given to the services you mention?

THE HONOURABLE MR. HOSSAIN IMAM: The I.C.S. is too big to be affected by such small drains. If the I.C.S. had been an all-embracing service we would have had no central services. We have created central services and are reducing the I.C.S. Mr. Sapru is politician enough to know that many of the provinces have been demanding provincialization of their services, and if he has provincial autonomy he will have to give in. The centre should be better provided with services of its own and communal aspects come in only by the way, although I am not ashamed of it. I say that

until there is an arrangement between us we would rather retain the Europeans than rely on the mercy of those whom we have found many a time to our cost most unsympathetic, not to say, cruel.

Sir, on the question of our communal representation in the services I would not say much. I would ask the Government to seriously consider the question and not be satisfied by the mere observance of rules. The rules are not the essential thing. It is the end which has to be kept in view. Has the objective been achieved? *The objective is that every person living in India has a right to share in the disbursements of the Government. Are we receiving our share?* If the Government inquires into the matter and finds that their system is correct I would be satisfied. What will they do if they find that the result is not as it should be? *I ask them to be wise and to examine the question and find where the trouble lies and cure it.*

(At this stage the Honourable Sir David Devadoss vacated the Chair, which was occupied by the Honourable the President.)

May I suggest for the consideration of the Government a method which has already been tried in one of the Departments of the Government of India; I refer to the system in the Accounts Department, whereby probationers are taken in with high qualifications to serve for a period. If they pass out they are given higher jobs; if they do not they revert to the minor posts. If that kind of system is adopted in the railways and you take the probationers in the inverse ratio of the Muslims in the service—for instance in a service where they are 5 or 6 per cent. you should take 75 per cent. of the probationers from Muslims, and in a service having 20 per cent. of Muslims you will take 25 per cent. of Muslim probationers. If we are well represented we do not want any extra share, but where we are ill-represented we do demand a higher share.

Sir, coming to the communal and political question, our Honourable colleague Sri Narain Mahtha again asked certain questions. He, Sir, is in the bad habit of consulting those who are ill-suited to advise him. He should rely more on himself than on interested persons. Sir Manmatha no doubt was a distinguished Judge and a Member of the Viceroy's Executive Council. Nevertheless he is a Mahasabhaite and as such his advice about the Muslim League is scarcely to be relied upon. So I would ask him if he wants to understand Pakistan, first of all to read the Pakistan resolution. If he had read the resolution he would not have been under the delusion that the minorities in Pakistan will be held as hostages. Nothing could be further from the truth. We have given to the minorities in that resolution more rights and powers than the Congress has ever promised in so many words; except in the well known blank cheque which was neither signed nor had the name of the bank written on it. They have given the Mussulmans a completely blank cheque. Similarly the charge against the Congress of pampering the minorities is as well founded as the charge against the Treasury Benches of having passed power to the Indian electorate. If you can say that by appointing three persons to the Executive Council from amongst Indians they have completely given over the control of India to the electorate, then your charge against the Congress is true for it had a Muslim President. Otherwise it has no foundation. The Pakistan scheme is not yet a cut and dried scheme with which I wish to face my friends and say, here it is, take it or leave it. We are not of that dictatorial temperament to which Mr. Gandhi with his non-violence belongs. He wants that at the time when England is in difficulty it must hand over all that it has got without even a promise of getting support

[Mr. Hossain Imam.]

for war in return; because they are non-violent and believers in civil resistance. You remember the heading which appears in the *Statesman*, "Crank's Corner". You should read it. And I am afraid our friends at Bombay had the shadow cast upon them, the shadow of the Congress. Sir, I have before me a copy of the speech of Sir N. N. Sircar.

THE HONOURABLE THE PRESIDENT: Won't you leave the Bombay friends alone?

THE HONOURABLE MR. HOSSAIN IMAM: They have figured more in the speeches on my right than anything else. I have promised not to take more time than my Honourable friend Mr. Sapru did and I shall finish within that time limit. If I had not been fortunate enough to get that speech, I might have formed a different opinion about the Bombay Conference. The Bombay Conference is an important landmark. Whatever may be its effect it is nevertheless an important landmark. I hope no one claims a national status for the Bombay Conference and I am glad that Mr. Sapru clarified the situation that the Bombaywallahs did not copy the Congress and claim universal representation. I wonder what were the qualifications which made a man eligible for membership of this Conference and what were the disqualifications which excluded a person from the conclave. In the first instance, Sir, we were told that this was a non-party Leaders' Conference. I was surprised that in a congregation of non-party leaders, who were termed by Sir A. P. Patro as unattachables, there should be such a leader as Mr. Savarkar. He represents the entire Hindu Mahasabha. What was his eligibility for this Conference membership? Was he a no-party man? I regard the Bombay Conference as a very representative, very distinguished and a prominent assemblage of non-Congress Hindu opinion, preferably that of the caste Hindus. In the galaxy of the distinguished people who adorned it, there was a sprinkling of one or two depressed class men also. And three Mussalmans were thrown in from Bombay City alone just to give it colour. While I am in entire agreement with Pandit Kunzru and Mr. Sapru in regard to condemnation of the Government for not associating Indians in the administration of the country, I personally cannot attach too much weight to the personal eminence of our politicians as a qualification or as satisfying the public demand in that respect. I personally believe that until you have available a correct well-balanced indigenous system of democracy, you must insist that your executives belong to a political organization; otherwise there will be no check on those whom you place at the highest pinnacle of power. Even the highest man, Mr. Churchill, is subject to Parliament. To whom will you make the central minister responsible? To the Viceroy? Consider it not from the narrow point of view of the Bombay Conference, but from a higher plane of political thought. Is it wise to give powers to those who are responsible to no one? If they are responsible only to the Viceroy, what difference is there between them and those who are at present occupying the Treasury Benches? There is no magic in the name "Indian". An Indian merely by his presence will not work wonders, he will not make this bureaucratic Government which has no interests of India at heart more Indian unless he has the power behind him. It is power which makes them strong and that power you cannot have until you have public opinion solidly behind them. In this connection the Honourable Mr. Sapru remarked that the League had refused to co-operate. I think it is a little terminological inexactitude.

THE HONOURABLE MR. P. N. SAPRU: I said that the League refused to co-operate except on its own terms.

THE HONOURABLE MR. HOSSAIN IMAM: Everyone and every political party has a right to lay the terms and it is not worth its name if it does not make some *sine qua non* to joining a cabinet. We are not hankering after offices. Rs. 6,000 jobs are not so good for us that they cannot be left aside. The Mahasabha was perfectly willing to come and join. It was only Mr. Jinnah who gave the warning and wanted conditions precedent, firstly, he wanted to know what were the portfolios to be given; secondly, how many were going to be taken; and thirdly, that the men should be selected by the organization. It was only after this, that the Mahasabha became wise. It was for this reason that in my last speech in November I had said that the Mahasabha was a little foolish, to which my Honourable friend Mr. Kalikar had taken exception. It was so anxious to join the Cabinet of the Viceroy as soon as it received the offer that it made none of these conditions. These conditions laid down by Mr. Jinnah were not only for the Muslim interests; they were in the interests of India as a whole. The Indian cause has advanced by these conditions. We should know whether the transfer of power contemplated is shadowy or whether it is a substantial thing. If the League had joined the Cabinet when the offer was made (I may say without any disrespect to the Honourable the Leader of the House) his portfolio might have been split into three and placed in charge of three members. How could in such an event our interests have been advanced? Where was the Muslim League's insistence on communalism in this or other matters? It was really in the national interests that the conditions were put forward? Can you cite to me a single instance where the Mahasabha has stood out as we did?

Sir, I had intended to say something about Sir N. N. Sircar's speech, but I find that I have very little time and I would not be able to do justice to it on this occasion. I shall therefore postpone it to some other occasion. I shall only reply to one or two of the questions that have been put by Mr. Sapru. I think he gave a very sorry example when he cited the case of interim ministers? Does he not know what was the position of interim ministers? They were merely creatures of the Governor. Is he as a responsible public man representing the Opposition in this House ready to praise the interim Ministry. If the Bombaywallahs will be as good or as bad as interim Ministers, I for one would not support the Bombay demand, because a Ministry which has not the slightest public backing cannot function. You cannot at this moment ask His Majesty's Government to change the entire system of the Government of India within the Government of India Act as at present. That is the mistake which is being made by the Congress as well as by the Bombay Conference. You do not realize how great is the responsibility of the Governor General. If that responsibility is broken and then you and the Congress come in on the same level you cannot function. The Honourable Mr. Sapru said that both in the case of the Montagu-Chelmsford Reforms and the 1935 Reforms Government went ahead in spite of the Congress. Similarly if the Bombay Resolution is as unreal and as visionary as that of the Congress it has no chance. I am not hostile to it. I would be hostile to it if it claimed a national and representative character, if it claimed that it was speaking on behalf of the Mussalmans. Sir N. N. Sircar, in his anxiety to cite the Muslims who were against the League, did not even know who were the people whom he was naming Memons you know. The Leader of the House knows. But we have never heard of Memons. I do not know whom he means. Probably he means Cutch Memons. But he does not know even what they are.

THE HONOURABLE MR. P. N. SAPRU : Sir N. N. Sircar is a very eminent lawyer, and he may be presumed to know these elementary facts. He must be knowing who the Muslims in various parts of the country are.

THE HONOURABLE MR. HOSSAIN IMAM : It is very good to have complete trust and if you have complete trust you can solve anything. The Honourable Mr. Sapru had referred, and rightly referred, to the fact that in India the Muslim rule had not been of disadvantage. He had referred to the fact that we Hindus and Muslims, living together, had evolved a common culture : and he had rightly dissociated himself from revivalist policies. But does he realize how solitary and how much forlorn is the hope of getting this moderate opinion to prevail ? He was saying that moderates are like new industries. They can only prosper in an atmosphere of protection, and if the Government protection is not available, they will die at their young age. Similarly, Sir, it is regrettable that everything common is being ruthlessly brushed aside by those who command public opinion among our Hindu friends. It is they who are primarily responsible for the divergence that exists today between the Hindus and the Muslims. It is these people—I would not call them agents provocateur but I think they are enemies of the country—who by their insistence on going back to thousands of years are bringing about this gulf which is widening every day. All these things, Sir, do not take away the responsibility of His Majesty's Government. When two men are not agreeable, the man who has power has to decide. But Government cannot shirk their responsibility, and they cannot, because of our differences, carry on as they were during the past without any transfer of power to the people of the country. (*An Honourable Member* : Who are the people of the country ? To whom do you want power to be transferred ?) Those who represent public opinion. I trust that and nothing else.

THE HONOURABLE MR. R. H. PARKER : Will you be satisfied ?

THE HONOURABLE MR. HOSSAIN IMAM : Yes, if the Government would agree to abide by it. I say, Sir, that when the Muslim League demanded a majority of seats in the Viceroy's Executive Council, it was perfectly justified. I ask you to compare the election figures. See how representative is the Muslim League and how representative are the other Hindu organizations outside the Congress. I agree with Mr. Sapru that Congress does not represent the entire Hindu population, and I agree with him, too, that the Muslim League does not represent the entire Muslim opinion. But the overwhelming majority of Hindu opinion is reflected in the Congress and the vast majority of Muslim opinion is represented in the League. I ask the Government to dissolve the two Houses. Let there be elections and those who claim to speak on behalf of the Muslims come to the polls and prove their right to represent the Muslims. I am sure that no one will be able to establish his claim among the Hindus against the Congress. Very few Hindus would be able to find themselves returned to the Councils who are outside the Congress.

THE HONOURABLE SIR MUHAMMAD YAKUB : What about the Hindu Mahasabha ? They claim to be the real representatives of the Hindus.

THE HONOURABLE MR. HOSSAIN IMAM : Sir Muhammad Yakub knows very well how unrepresentative they are, how they have lost even the security deposit in one of the bye-elections just now in the United Provinces. (*An Honourable Member* : What about Mr. Jinnah Mehta ?) Mr. Jinnah

Mehta has a personality all his own,—his past connection with the Swaraj Party, his labour propaganda, and not the Mahasabha account for his success. It is the personal success of Mr. Jinnah Mehta.

Sir, I was saying that the Government is responsible to the country at large, and the country is after all larger than these two big factors, the Congress and the League, especially in view of the fact that the League is willing to co-operate provided you do not ask us to demean ourselves, provided you do not regard me as a beggar who is out to have this Rs. 6,000 in his pocket : that does not count with us for much.

THE HONOURABLE THE PRESIDENT : You have had your full time now.

THE HONOURABLE MR. HOSSAIN IMAM : I am coming to a close. I was saying, Sir, that by any method of counting you will find that the Muslim League on your own democratic basis represents more public opinion than all the Bombaywallahs combined. The Congress says that it has the entire support of India. At least of Hindu India, to a great extent they have. And still they go on attacking the Muslim League that because it has demanded a predominant share in the governance of the country therefore its demands should not be considered. As I understood Mr. Sapru's remarks—if I am doing him an injustice I would like to be corrected—that the Muslim League was to be disregarded by the Government and the portfolios offered to those present at the Bombay Conference.

THE HONOURABLE MR. P. N. SAPRU : I said nothing of the kind.

THE HONOURABLE MR. HOSSAIN IMAM : If he has not said it, I have nothing to say.

I would tell the British Government that—" You committed a mistake in the past by disregarding Hitler who was arming himself. You remained complacent. You thought that everything will be all right, and you have now had a rude awakening. Similarly, if you regard that Indian conditions are safe, that India is taking everything that you inflict on it lying down, you are sadly erring. You have power, you are at the moment using your power to govern : but you are not doing so with the concurrence and willing support of the people. This willing support is there, is ready to come, is anxious to come, provided you give us an opportunity to serve you in the way in which a self-respecting man can serve. But even for the cause of the safety of the country we will not demean ourselves. We will not be a party to telling you an untruth and saying that Indians are with you." The Muslim League in the first instance, Sir, supported the Bill of March, 1940. There was a warning in November, 1940 and we remained neutral. And now we are opposing the Finance Bill and that is not the end of the matter. If the Government persists in its callous attitude, we will do whatever we can, whether it be for the worst or the best, to vindicate the national honour of India and ourselves.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Education, Health and Lands Member) : Mr. President, I am sure that when Dr. Johnson wrote the lines :

" Let observation with extended view,
Survey mankind from China to Peru "

[Sir Girja Shankar Bajpai.]

he was being unconsciously, and unwittingly perhaps, prophetic of the range and scope of discussions on Finance Bills. Certainly, Sir, nobody can complain that the discussion on the measure before the House has not covered very wide ground indeed. We have heard of the grievances of Orissa, of the inadequate representation of certain communities on the High Court Bench of Madras, and other matters of more or less importance. I think, Sir, time presses and it will be agreed that even if one were willing to deal with all these matters, there is no opportunity to do so. If I have intervened at all, it is for a very limited purpose and, I may say to the House at once, that the inspiration for that intervention is no desire to import controversy, although there has been much said in the course of this debate, hard, harsh and unmerited, about Government which, if I had the time, I could controvert. But again, the stage is late for elaborate controversy, and in any case, controversy is not conducive to the smoothness of atmosphere and the harmony of spirit which, I am sure, we all desire, not merely inside this House but also outside.

Sir, I would first deal with one departmental point, a point of some importance, which the Honourable the Leader of the Progressive Party, Rai Bahadur Lala Ram Saran Das, raised. That was the question of the appointment of an Agent in the West Indies. Well, Sir, the House needs no elaborate reminder of the position of the Government with regard to that. I think it was explained by my predecessor in the House that Government were in favour of the appointment of Agents, not merely in the West Indies but in other territories also where Indians are to be found in large numbers. The request with regard to the West Indies, as also for the other territories, was made to the authorities concerned. The House is also aware that, when the Royal Commission on the future Government of the West Indies was examining witnesses in the West Indies, the representative of the Government of India put before the Commission very strongly the view of the Government of India that there should be an Agent. The war intervened and the Report of the Royal Commission has not seen the light of day, and we felt that no action would be taken on that Report while the war lasted. Recently there has been an announcement that a widening of the basis of franchise and some other changes in the constitution of the West Indies are contemplated. That means that His Majesty's Government are revolving in their mind, and not merely revolving in their mind but have taken certain decisions with regard to the constitutional future of the West Indies. It seems that, in the circumstances, the Government of India can legitimately ask His Majesty's Government to take up the question of the appointment of an Agent and I can give Honourable Members the assurance that I shall, at a very early date, take up with the Secretary of State for the Colonies and the Secretary of State for India the question of the appointment of an Agent in the West Indies.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: With keenness and vigour?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: My Honourable friend seems to have a monopoly of keenness and vigour. I can assure him that in so far as keenness of desire and vigour of representation go, we have not been lacking in the least, but he will also appreciate that it is not possible for one Government, however keen and however vigorous it may be, to enforce upon another a representative.

Now, Sir, I come to what I think is much the most important part of what I have to say, and that is, in relation to the political question on which discussion has been concentrated. Whether it has been relevant or not is another matter. In any case, it has been the practice, both in the other and in this House, to treat the Finance Bill as an occasion for raising political discussions, and I for one have no quarrel with Honourable Members for having discussed at length the political and constitutional questions which now confront the various parties in India and also His Majesty's Government. Sir, Honourable Members, principally from the Progressive Party, Members of acknowledged earnestness, sincerity and patriotism, spoke in support of the Bombay resolution. I have before me the text of that resolution. I have also here a report of the mandate of the Conference to its distinguished Chairman. This is the mandate:—

"The Conference authorizes its President, the Right Honourable Sir Tej Bahadur Sapru, to communicate the terms of the resolution to His Excellency the Viceroy and the Secretary of State for India and to take such other steps as may be necessary to achieve its objects".

It will be clear from this, Sir, that the resolution is primarily one for consideration by the Secretary of State for India and by His Excellency the Viceroy. Nevertheless, as Leader of the House, I do charge myself with the duty of communicating to His Excellency the Viceroy, at the earliest possible opportunity, the substance of the observations that have been made on that resolution in the course of this debate.

Now, Sir, one word with regard to the vote which is to be cast on this Bill in the next quarter of an hour or half an hour. Honourable Members opposite said—and we are grateful for it—that they have the fullest sympathy with Great Britain. They are full of admiration for the fortitude, the tenacity, the courage, the invincible endurance, with which the people of Great Britain are today standing up to an assault unprecedented even in their long history, showing qualities which, I venture to submit, have never been transcended in glamour in all the long and distinguished history of England. We are grateful for that. We are also grateful for the declaration that Honourable Members belonging to the Progressive Party and the Muslim League Party desire nothing more than a complete defeat of Nazism and other totalitarian ideologies, of the totalitarian powers, now banded together for certain aggressive purpose. That is so. But then Honourable Members go on to argue thus: So far as we are concerned, we have not received from His Majesty's Government that measure of association or control—association in the Government of this country or control over the affairs of this country—which alone can justify our giving support in full measure. I do not dispute the sincerity of their attitude. I am even prepared to concede that Honourable Members can argue on that thesis; but what I wish Honourable Members to consider is this. It is not their intent, not their purpose, in casting a vote in a particular way that matters. What matters is how that vote is going to be misconstrued and misrepresented by those whose doctrines they rightly profess to abhor. That seems to me to be a consideration which ought to be taken by Honourable Members into account when they decide which way to cast their vote. One final word, Sir, and I shall resume my seat. This morning there was a reference to the part played by the Indian troops in the victory at Keren. That is the most recent but by no means, I am sure, the last glorious name in the course of this war to be inscribed on the battle-scarred banners of the Indian Army. For whom are those soldiers fighting? Not only for the security or freedom of Great Britain. I venture to suggest that they are also fighting for the safety and the freedom of India. (Applause.) This Bill, Sir, is designed to provide ways and means for enabling that glorious

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army to hew its way to victory alongside of its British and other comrades. That being so, the question I ask is, is it just, is it fair, is it right to refuse supplies? It seems to me that put in that perspective there can be only one answer to the question. Never can supplies be denied for such a purpose. (Applause.)

THE HONOURABLE MR. C. E. JONES (Finance Secretary): Sir, as the Honourable the Leader of the House has just said, the hour is getting late and time presses, and I know that Honourable Members are anxious to leave, so I must perforce be brief in my remarks. The debate on this Motion has covered a wide field, as is usual in the case of a Finance Bill; and as is also usual it has been full of interest. It now remains for me to wind up the debate with observations on such financial points as have been raised. You will appreciate that my position is not an enviable one. The discussion has ranged over questions of high politics, which is an inspiration in itself to impassioned oratory. We have had such questions as communal representation in the services, which lends itself to deep feeling and emotion. By comparison financial questions are prosaic and humdrum, in addition to which the Honourable the Leader of the House in the very able tabloid speech he has just given has unwittingly stolen the substance of my opening remarks and practically the whole substance of my peroration. But I feel that the debate on this Motion should finish on the financial level, the Bill being a Finance Bill, although I recognize that it means asking Honourable Members to descend from the sublime almost to the ridiculous. It is usual for the Honourable the Finance Member to attend the debate in this House on the Finance Bill, but on this occasion the Honourable the Finance Member was able to attend only for a short period yesterday afternoon. He has been unavoidably occupied in the other House and it remains for me to deal with the few points that have been raised.

The House is aware, Sir, that so far as the financial provisions of this Bill are concerned there has on the whole been more support than criticism. For that support the Government are grateful, and such criticism as there has been has again, as is often the case in a debate on a Finance Bill, tended to cancel itself out. For instance, the Honourable Mr. Sinha wished Government to borrow more and tax less. The Honourable Mr. Sapru would have Government tax more and borrow less. But I think it is only fair to the House that I should touch on the one or two points that have been raised, and I will do so in the space of the few minutes available to me.

First of all the question has been raised again of the need for economy in the administration. Now, Sir, I dealt with that very fully in my reply to the debate in this House on the supplementary Finance Bill last November. I have just refreshed my memory by looking at the record of that debate and I found to my horror that my remarks on that aspect alone occupied three full pages in the official proceedings. I mention that as indicating that Government do recognize the seriousness of this problem and recognize the legitimacy of the demand that is put forward. But what I would ask Honourable Members also to recognize is that Government are straining every nerve to ensure that in the day-to-day administration, whether it is in the military field, whether it is in the supply field or whether it is on the civil side, money's worth is obtained for money spent. The Honourable Mr. Sinha mentioned as an example of Government extravagance the case of salaries in the Supply Department. I referred last November to the fact that the Honourable the Finance Member, realizing the feeling on this subject, had agreed to place all

his cards on the table and to place the complete case before the Standing Finance Committee for their opinion and their advice. That, Sir, was done and I have here the official observations of the Committee when all these facts were placed before them. The record of the Committee's observations is as follows:—

"After a detailed examination of each item of the statement (and the statement was a long one, Sir,) the Committee came to the conclusion that, considering the urgency and haste in which the Department had to be created and other difficulties pointed out by Mr. Jenkins, the percentage of cases in which mistakes had been made justifying serious criticism was remarkably small. It was held that the impression that salaries in the Supply Department were generally extravagant was incorrect and that steps should be taken to remove that impression."

I quote that at length merely to ask that the steps that Government are taking should in fairness be given some recognition by Honourable Members of this House. It is not necessary for me to go in detail over the ground that I covered last November. The essential position is the same, but I would reiterate once more that Government accept their obligation in this matter and are doing all they humanly can to see that that obligation is fulfilled.

Then, Sir, the next point that was raised was the moot question of the extent to which a war-time deficit should be covered by borrowing or by taxation. On a question like this it is obviously impossible to dogmatise, except that one can assert positively that at a time like this, having regard to the size of the deficit, having regard to the general scale or standard of Indian revenues, and the undoubted increase in the taxable capacity of the country, the Government would have been failing in their duty if they had not covered at least a part of the anticipated deficit by taxation. If that is granted, Sir, it is merely a question of opinion as to how far that taxation should go. I think the general consensus of opinion as indicated in this debate is that Government possibly have struck the happy mean between the two extremes. Government's own view is that, bearing in mind the uncertain possibilities of the future and the certainty that every dislocation of our estimates as a result of unforeseen developments in the war situation will tend to increase that deficit, they possibly have not gone far enough in the direction of taxation. But anyhow Government have taken the risk, they have come to their final decision, and I think I may assume from the tenour of this debate that on the whole Government's decision has not perhaps been very far out.

As to the taxation proposals themselves, I have very little to say. The

5-5 P. M. Honourable Mr. Shantidas Askuran rather took my breath

away by saying that it was admitted on all sides that the duty on artificial silk yarn and thread was unnecessary and could be removed. Sir, the object of this duty is to raise revenue. Government are satisfied that the duty on art silk fabrics which is already very heavy, having reached the level at which it now stands in pursuance of a policy of protection to the cotton textile industry, has a large margin to spare, and they anticipate that the new level of the duty on art silk yarn and thread should not cause any serious danger to art silk industry in this country; but I am confident that they will continue to watch the position, and if untoward developments occur I have no doubt that they will seriously consider what action could or should be taken.

Then the question has been raised of the effect of the excess profits tax on industry, and in spite of all that has been said, particularly by the Honourable Lala Ram Saran Das, I think there is no reason for Government to change their view that the effect of this tax is not likely to be as serious or as

[Mr. C. E. Jones.]

detrimental to industry as critics of the tax profess to apprehend. I would reiterate once again that the tax only comes in where excess profits, and substantial excess profits, as a result of war conditions, are actually realized, and I think the Honourable Lala Ram Saran Das had some difficulty in rousing the sympathy of the House when he tried to draw the picture of the terrible fate in which the industry found itself as a result of making a 100 per cent. greater profit in war conditions than it was making in the most favourable standard option period it could choose. I think the moral basis for this tax remains unanswerable. It is a tax on excess profits actually realized in the abnormal conditions created by the war. As the cost of a very adverse effect on the yield of the tax an extremely liberal choice of option periods has been allowed. Special provisions have been made to safeguard the position of new industries, which I need not detail here. On the whole Government are satisfied, as they have been all along, that this tax in war time is a fair and reasonable tax. The level of 66½ per cent. is so much below the 100 per cent. in England that it is impossible to argue from one to the other or to draw analogies from action taken in England as to what should be done here, and the Government see no reason to believe that they have taken any action which is likely to have a serious effect on industry. The Honourable Mr. Hossain Imam referred to the fact that a portion—he admitted a small portion—of the receipts of this tax go to the provinces. That, Sir, is a fact. It is one result of the constitutional position as it stands now which cannot be remedied without making some fundamental changes in the constitution itself, in one of its most vital parts, namely, the financial relation between the provinces and the centre, and the difficulties of upsetting a constitutional arrangement of that sort are immense. We agree that the provinces to a certain extent benefit at our expense by the imposition of this war tax, and we hope that perhaps it will incline them to a little more sympathy and generous action if and when we go to them and ask them to take on a part of the burden of certain expenditure arising out of the war in the Provincial executive field which the centre is at present financing.

The Honourable Mr. Hossain Imam dealt with the subject of matches. I have nothing more to say on that than has already been announced by the Honourable the Finance Member, namely, that he is prepared to consult the industry to see if it is a fact that a variation in the number of sticks per unit will make for fairer and more efficient working. If he is convinced that that is the case, he is satisfied that the powers of exemption which he possesses will enable him to implement any arrangement that may be agreed upon, and in the meanwhile so far as prices go, he has given the assurance that he is determined to see that the consumer is not exploited.

After what the Honourable the Leader of the House has said on the subject of voting, it is perhaps unnecessary for me to say much, except to refer as a personal matter, to the line which the Honourable Mr. Mahtha took on my remarks last November when I said that a Member who votes against this Bill is doing all that he can as a Member of this House in voting against our war effort and therefore is necessarily doing all that lies in his power as a Member of this House and within this House in support of Hitlerism. The Honourable Mr. Sapru said that I was misrepresenting the position of Honourable Members on the other side. Sir, I maintain that I was neither representing nor misrepresenting any position whatsoever, but I was merely stating a fact. If an Honourable Member of this House votes against the supply of funds for the war he is thereby doing all he can as a Member of this House to impede the Government in their conduct of the war and therefore he is doing all that

he can as a Member of this House in support of Hitlerism. I think that that is merely a plain statement of fact. I do not see how it can be denied. Mr. Mahtha said that my statement to that effect was making a present to German propaganda. My view of the German propaganda machine must be totally wrong if it is true that it requires from me or from anybody else any assistance whatsoever in placing an interpretation upon the casting of a vote against the grant of supply to this Government for the prosecution of the war. I imagine they can place their own interpretation upon that because facts do speak for themselves and this vote will be a plain fact. Actions, as I said before, speak louder than words.

The Honourable Colonel Sir Hissamuddin and the Honourable Sir Muhammad Yakub made a plea to Honourable Members to put first things first. The successful outcome of this war is a matter of life and death. It is a matter of existence, and I would ask Honourable Members if they cannot rise to that degree of vision and show that magnanimity and generosity of spirit these are virtues which, like trust and suspicion, beget themselves) which have been shown by the Arabs and the Jews, to which I referred in my speech of last November; I was interested to hear on the 6-30 radio last night that in the message of Colonel Donovan, President Roosevelt's special envoy in Europe, he made special mention of the fact that, when faced with an attack on their very existence and on the ideals which are dear to both, the Arabs and Jews in Palestine have sunk their differences and have united in meeting the common foe, leaving the settlement of their political and other differences to be peacefully sought after the war. This Bill, Sir, asks for funds for the Government for the coming year to enable them to discharge their obligations for the defence of India, and I ask this House to be so good as to pass this Bill. Let them give the Government the funds and leave the Government to get on with the job.

THE HONOURABLE THE PRESIDENT: Motion moved:—

"That the Bill to fix the duty on salt manufactured in, or imported by land into certain parts of British India, to vary the rate of the excise duty on matches leviable under the Matches (Excise Duty) Act, 1934, to vary the rate of the excise duty on mechanical lighters leviable under the Mechanical Lighters (Excise Duty) Act, 1934, to vary the rate of the duty on artificial silk yarn and thread leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix the rates of income-tax and super-tax and to continue the charge and levy of excess profits tax and fix the rate at which excess profits tax shall be charged, as passed by the Legislative Assembly, be taken into consideration."

Question put: the Council divided:—

AYES—27.

Askuran, Hon. Mr. Shantidas.
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.
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.
Menon, Hon. Sir Ramunni.
Mitra, Hon. Mr. D. N.
Muhammad Yakub, Hon. Sir.
Mukherjee, Hon. Sir Satya Charan.
Nihal Singh, Hon. Sirdar.
Parker, Hon. Mr. R. H.
Patro, Hon. Sir A. P.
Prior, Hon. Mr. H. C.
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—11.

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 Cassum Heji -
 Padshah Sahib Bahadur, Hon. Saiyed
 Mohamed.
 Ram Saran Das, Hon. Rai Bahadur Lala.
 Sapru, Hon. Mr. P. N.
 Sinha, Hon. Kumar Nripendra Narayan.

The Motion was adopted.

Clauses 2 to 5 were added to the Bill.

The Schedule was added to the Bill.

Clauses 6 to 8 were 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.

STANDING COMMITTEES.

THE HONOURABLE THE PRESIDENT : I have to announce that nominations for election to the following four Committees, namely :—

- (1) Standing Committee on Emigration,
- (2) Standing Committee of the Labour Department,
- (3) Standing Committee of the Department of Commerce, and
- (4) Standing Committee of the Department of Supply,

will be received up to the 1st April instead of the 29th instant as previously announced.

STATEMENT OF BUSINESS.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House) : Mr. President, there are four financial Bills, or Bills with financial implications, which we have to complete before the end of the financial year and, therefore, I suggest that you direct that the House do sit tomorrow at 11 A.M.

The Council then adjourned till Eleven of the Clock on Saturday, the 29th March, 1941.

APPENDIX C.

Table showing the effects of War Taxation on Profits.

Excess profits tax @ 66⅓% ; Income-tax @ 2½ annas and super-tax @ one anna the rupee ; and surcharge @ 1rd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Pre-war (standard) profits.	Current (war) profits.	Excess profits.	Excess profits tax.	Balance (3—4)	Addl. income and super-tax on (5)	Additional income and super-tax on (1) @ Re. 0-1-2 per rupee.	Additional income and Super-tax (6+7)	Net additional profits (5—8)	Percentage of (9) on (1)
9,00,000	11,25,000	2,25,000	1,50,000	75,000	21,875	65,625	87,500	—12,500	—1·4
	13,50,000	4,50,000	3,00,000	1,50,000	43,750	65,625	1,09,375	+40,625	+4·5
	15,75,000	6,75,000	4,50,000	2,25,000	65,625	65,625	1,31,250	+93,750	+10·4
	18,00,000	9,00,000	6,00,000	3,00,000	87,500	65,625	1,53,125	+1,46,875	+16·3

The results then are as follows :—

Increase in taxable profits.

25%
 30·88%
 50%
 75%
 100%

Real increase of net profits.
 —1·4% (Deficiency)

Nil.
 4·5
 10·4
 16·3

N.B.—If the increase in rates introduced in 1939 is taken into account, the burden will be seen to be still greater.

520

521

COUNCIL OF STATE

Saturday, 29th March, 1941.

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.

MICA ADVISORY COMMITTEE.

140. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA : Will Government state whether the resolutions of the Delhi Mica Conference of 4th January, 1940, with respect to the appointment of a Mica Advisory Committee have been implemented ? If not, why ?

THE HONOURABLE MR. A. DEC. WILLIAMS : No. The Advisory Committee referred to by the Honourable Member was to be set up in each field by the Industry itself for definite purposes, and the Government of India have not found an Advisory Committee to be needed at present.

MR. PODGER, GOVERNMENT MICA INSPECTOR.

141. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA :
(a) Was Mr. Podger offered the post of Government Mica Inspector on condition that he should completely sever all his connections with the firm of Messrs. John Podger & Co., Ltd., of whom he had been one of the owners, directors and the manager ?

(b) Did Mr. John Podger while accepting the post of Government Mica Inspector completely sever his connections with the firm of Messrs. John Podger & Co., Ltd. ?

(c) Is the firm of Messrs. John Podger & Co. Ltd., Mica Dealers and Exporters, Kodarma, Bihar, still carrying on business under the same name, and under the management of the brother of the Government Mica Inspector for Bihar ? Is it permissible under the Government Servants' Conduct Rules ?

THE HONOURABLE MR. A. DEC. WILLIAMS : (a) Mr. Podger was in any case about to retire from business but he was required formally to sever his previous connection with any business interests.

(b) Yes.

(c) The firm of John Podger & Co. still carries on business. Government understand that Mr. John Podger's brother has an interest in the firm. This is permissible under the Government Servants' Conduct Rules.

THE HONOURABLE MR. HOSSAIN IMAM : Is it a fact that this firm has the sole monopoly of exporting mica ?

THE HONOURABLE MR. A. DEC. WILLIAMS : No, it is not a fact, Sir.

MR. PODGER, GOVERNMENT MICA INSPECTOR.

142. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA :
(a) Are Government aware that the mica exporting firms of Bihar with foreign especially American buyers suffer as the result of those buyers being obliged to give their orders to Messrs. John Podger & Co., Ltd., because of Mr. John Podger himself being Government Mica Inspector ?

(b) Are Government aware that since Mr. John Podger became Government Mica Inspector, the export business of the firm of Messrs. John Podger & Co., Ltd., with America in 1940 has increased more than in previous years ?

(c) Are Government aware that the appointment to the post of Government Mica Inspector of an individual whose identity of name with a firm of mica exporters has influenced foreign buyers to patronize that firm to the detriment of other firms ?

THE HONOURABLE MR. A. DEC. WILLIAMS : (a) Buyers are not obliged to give orders to any particular firm.

(b) Government have no information.

(c) Government have no reason to believe that such a consideration would influence any foreign buyer.

MR. PODGER, GOVERNMENT MICA INSPECTOR.

143. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA :
(a) Are Government aware that Messrs. John Podger & Co., Ltd., are entirely owned by the mica mining and dealing firm of Messrs. Chatturam Horilram, Ltd., who have themselves been the recipients of large orders from the Geological Survey of India ? Is it a fact that Mr. John Podger is acting as their adviser ?

(b) Is it the policy of Government to employ in the purchase of mica an individual who is either directly or indirectly connected with two of the principal suppliers ?

THE HONOURABLE MR. A. DEC. WILLIAMS : (a) The answer to the first part is that Government have no information and to the second part is No.

(b) No.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Regarding part (a) of the question, have Government tried to obtain any information ?

THE HONOURABLE MR. A. DEC. WILLIAMS : No, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Why have they not ?

THE HONOURABLE MR. A. DEC. WILLIAMS : Because it is not the kind of information which Government in the normal course of answering questions relating to matters of public interest would undertake to investigate.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Is it not the duty of Government to see that its rules are fully carried out ?

THE HONOURABLE MR. A. DEC. WILLIAMS : If Government find any *prima facie* reason for considering that there has been any breach of discipline on the part of any of its servants it would certainly undertake an inquiry.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What is the information collected by it on the basis of which it arrived at the *prima facie* conclusion that no further inquiry was called for ?

THE HONOURABLE MR. A. DEC. WILLIAMS : I think it is a little unreasonable for the Honourable Member to ask me to present to him the information from which we are led to the conclusion that there is no information.

THE HONOURABLE MR. HOSSAIN IMAM : Is it a fact that the inquiry was made from Mr. John Podger himself ?

THE HONOURABLE MR. A. DEC. WILLIAMS : No, Sir.

THE HONOURABLE MR. HOSSAIN IMAM : Who was the person from whom the inquiry was made ?

THE HONOURABLE THE PRESIDENT : Question No. 144.

METHOD OF PURCHASING MICA.

144. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA : Will Government state the methods employed for the purchase of mica by the Geological Survey of India, and also state, if any, and how much, was purchased by private contract ?

THE HONOURABLE MR. A. DEC. WILLIAMS : By limited tender. No mica was purchased by private contract.

THE HONOURABLE MR. HOSSAIN IMAM : Why was the contract limited ?

THE HONOURABLE MR. A. DEC. WILLIAMS : It is the ordinary procedure, Sir.

THE HONOURABLE MR. HOSSAIN IMAM : Was it given to Messrs. John Podger and Co. ?

THE HONOURABLE MR. A. DEC. WILLIAMS : I do not understand what the Honourable Member means by "it".

THE HONOURABLE MR. HOSSAIN IMAM : I mean the contract, Sir.

THE HONOURABLE MR. A. DEC. WILLIAMS : There were a number of contracts.

THE HONOURABLE MR. HOSSAIN IMAM : How many were given to this firm, Messrs. John Podger and Co. ?

THE HONOURABLE MR. A. DEC. WILLIAMS : I shall require notice of that question, Sir.

VALUE OF MICA EXPORTS.

145. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA : Is it a fact that the export value of mica through the Calcutta Custom House was approximately one crore and fifty lakhs of rupees for 1940 ? Has Government made any provision for the representation of the Industry in the matter of mica purchase ?

THE HONOURABLE MR. A. DE C. WILLIAMS: The answer to the first part is in the affirmative and to the second part in the negative. I would add that all known mica dealers are invited to tender.

PAMPHLETS PREPARED FOR THE EASTERN GROUP CONFERENCE.

146. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Were pamphlets dealing with Indian resources in raw materials and Indian agricultural industries prepared for the Eastern Group Conference? If so, how many?

(b) Were these pamphlets sent to any newspapers? If so, to which? Have they been reviewed by any British newspapers in India?

(c) Will Government place copies of them in the Library of the Indian Legislature?

THE HONOURABLE SIR ALAN LLOYD: (a) Certain pamphlets were prepared at the instance of the Government of India on the occasion of the Eastern Group Conference. They were ten in number.

(b) Yes: A statement containing the names of such papers is laid on the table of the House. The answer to the last part of the question is in the affirmative.

(c) Yes: Government have already placed copies in the Library of the Indian Legislature.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: May I ask whether these pamphlets are available to the public?

THE HONOURABLE SIR ALAN LLOYD: No, Sir. The supply is exhausted. They were not put on general sale.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is it intended to re-publish them and offer them to the public on sale?

THE HONOURABLE SIR ALAN LLOYD: No, Sir, because they were compiled primarily for the interest which we hoped they would have for persons overseas rather than for dissemination in India; but we had informed the Indian newspapers of what was going on.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: But would the information contained therein be of no interest to Indian business circles?

THE HONOURABLE SIR ALAN LLOYD: I think Indian business circles probably have the information already. It has been compiled in such a form as to attract the interest of business interests overseas.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: As the Honourable Member has used the word "probably" it means that Government are not absolutely certain that Indian business circles have this information. Will they not then make these pamphlets available?

THE HONOURABLE SIR ALAN LLOYD: No, Sir, I do not think the expense would be justified. As I have said the editions are exhausted.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What would be the expense of publishing them again?

THE HONOURABLE SIR ALAN LLOYD: I must ask for notice of that question, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Then why did he say that the expense would not be justified?

THE HONOURABLE SIR ALAN LLOYD: Obviously it is going to be some appreciable expense without my being able to give the exact figure, and I was perfectly justified in giving the answer I did.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: When crores of rupees are being spent on the development of industries would it not be desirable to place these pamphlets before the Indian public?

THE HONOURABLE SIR ALAN LLOYD: That, Sir, is a matter of opinion.

THE HONOURABLE MR. HOSSAIN IMAM: May we know how many copies were printed?

THE HONOURABLE SIR ALAN LLOYD: I must have notice of that question, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is the only objection to the republication of the pamphlets that the printing will cost a little money?

THE HONOURABLE SIR ALAN LLOYD: I think that is a fair statement, Sir. There is no secret about the pamphlets, as is illustrated by the fact that we have sent copies to newspapers the names of which occupy a list of many pages.

THE HONOURABLE MR. HOSSAIN IMAM: Would the Government allow the private press to publish it?

THE HONOURABLE SIR ALAN LLOYD: I must ask for notice of that question, Sir.

Statement.

<i>English daily, morning and evening, newspapers.</i>	<i>English daily, morning and evening, newspapers—contd.</i>
Daily Express, Fleet Street, London, E. C. 4.	Daily Sketch, 200, Gray's Inn Road, London, W. C. 1.
Daily Herald, 69-76, Long Acre, London, W. C. 2.	The Daily Telegraph and Morning Post, Fleet Street, London, E. C. 4.
Daily Mail, Northcliffe House, London, E. C. 4.	The Evening News, Northcliffe House, London, E. C. 4.
Daily Mirror, Geraldine House, Rolls Bldgs., Fetter Lane, London, E. C. 4.	Evening Standard, 47, Shoe Lane, London, E. C. 4.
	Financial News, 20, Bishopsgate, London, E. C. 2.

English daily, morning and evening, newspapers—concl'd.

The Financial Times,
72, Coleman Street,
London, E. C. 2.

Industrial Daily News,
52, Fetter Lane,
London, E. C. 4.

Jewish Times,
325, Whitechapel Road,
London, E. 1.

The Morning Advertiser,
18, St. Andrew Street,
London, E. C. 4.

News Chronicle,
Chronicle House,
72-78, Fleet Street,
London, E. C. 4.

Public Ledger,
50, Gt. Tower Street,
London, E. C. 3.

Star,
72-78, Fleet Street,
London, E. C. 4.

The Times,
Printing House Square,
London, E. C.

English daily, morning and evening, provincial newspapers.

Bah & Wilts Chronicle & Herald,
33, West Gate Street,
Bath, Somerset.

(Birmingham) Evening Despatch,
Newspaper House,
Corporation Street,
Birmingham 4.

Birmingham Gazette,
Newspaper House,
Corporation Street,
Birmingham 4.

The Birmingham Mail,
38, New Street,
Birmingham.

Birmingham Post,
38, New Street,
Birmingham.

(Blackburn) Northern Daily Telegraph,
Blackburn.

Bolton Evening News,
Tillotsons Newspapers, Ltd.,
Bolton.

Bournemouth Daily Echo,
Richmond Hill,
Bournemouth.

English daily, morning and evening, provincial newspapers—contd.

Bradford Telegraph & Argus,
Hall Ings,
Bradford.

Bristol Evening Post,
Silver Street,
Bristol.

(Bristol) Evening World & Evening
Times & Echo,
Northcliffe House,
Colston Avenue,
Bristol.

(Bristol) Western Daily Press & Bristol
Mirror,
Bristol.

Cheshire Daily Echo,
High Street,
Stockport.

Cumberland Evening News,
27, English Street,
Carlisle.

Cumberland Evening Star and Mail,
Newspaper House,
Oxford Street,
Workington.

Derby Evening Telegraph & Express,
Northcliffe House,
Derby.

Dorset Daily Echo,
57, St. Thomas Street,
Weymouth.

East Anglian Daily Times,
Carr Street,
Ipswich.

Eastern Daily Press,
Norwich.

Eastern Evening News,
Norwich.

Evening Sentinel,
Northcliffe House,
Hanley,
Stoke-on-Trent.

(Exeter) Express & Echo,
226, High Street,
Exeter.

The Gloucester Citizen,
St. John's Lane,
Gloucester.

Gloucestershire Echo,
Cheltenham.

Grimsby Evening Telegraph,
Oleethorpe Road,
Grimsby Lincs.

Evening daily, morning and evening, provincial newspapers—contd.

Halifax Daily Courier & Guardian,
King Cross Street,
Halifax.

(Hastings) Evening Argus,
Hastings.

Huddersfield Daily Examiner,
Huddersfield.

Hull Daily Mail,
Jameson Street,
Hull.

(Ipswich) Evening Star,
Carr Street,
Ipswich.

Lancashire Daily Post,
127, Fishergate,
Preston.

Lancashire (West) Evening Gazette,
Victoria Street,
Blackpool.

(Leamington) Morning News,
15, Upper Bedford Street,
Leamington.

Leeds Mercury,
Bond Street,
Leeds.

Leicester Daily Mercury,
25-29, Albion Street,
Leicester.

Leicester Evening Mail,
37, London Road,
Leicester.

Lincolnshire Echo,
St. Benedict Square,
Lincoln.

Liverpool Daily Post,
Victoria St.,
Liverpool, 1.

Liverpool Echo,
Victoria St.,
Liverpool, 1.

(Liverpool) Evening Express,
Victoria St.,
Liverpool, 1.

(Liverpool) Evening Express (Sporting
Edition),
Victoria St.,
Liverpool.

(Liverpool) Journal of Commerce and
Shipping Telegraph,
Liverpool 2.

English daily, morning and evening, provincial newspapers—contd.

(Manchester) Daily Despatch,
Withy Grove,
Manchester 4.

(Manchester) Evening Chronicle,
Withy Grove, Manchester 4.

Manchester Evening News,
Guardian Bldg.,
Manchester.

Manchester Guardian,
3, Cross St.,
Manchester.

Midland Daily Telegraph,
18, Hertford St.,
Coventry.

(Newcastle) Evening Chronicle,
Westgate Road,
Newcastle-on-Tyne.

The Newcastle Journal,
Clayton St.,
Newcastle-on-Tyne.

North Eastern Gazette,
Middlesborough,
Yorkshire.

North Mail & Newcastle Daily Chronicle,
Westgate Rd.,
Newcastle-on-Tyne.

North Western Daily Mail,
Barrow-in-Furness.

Northampton Chronicle & Echo,
The Parade,
Northampton.

Northamptonshire Evening Telegraph,
Dryland St.,
Kettering.

Northern Daily Mail,
Clarence Road,
West Hartlepool.

Northern Echo,
Priestgate,
Darlington.

Northern Evening Despatch,
Priestgate,
Darlington.

Nottingham Evening News,
Parliament St.,
Nottingham.

Nottingham Evening Post,
South Sherwood St.,
Nottingham.

Nottingham Guardian,
South Sherwood St.,
Nottingham.

<i>English daily, morning and evening, provincial newspapers—contd.</i>	<i>English daily, morning and evening, provincial newspapers—concl.</i>
Nottingham Journal, Parliament St., Nottingham.	The Yorkshire Evening Post, Bond St., Leeds.
Oldham Evening Chronicle, Union St., Oldham.	Yorkshire Evening Press, 9, Coney St., York.
Oxford Mail, The Newspaper House, Oxford.	Yorkshire Observer, Hall Ings, Bradford.
(Portsmouth) Evening News and Southern Daily Mail, Stanhope Rd., Portsmouth.	Yorkshire Post, 55, Albion St., Leeds.
(Reading) Evening Gazette, 41-43, Blagrove St., Reading.	(Yorkshire) Telegraph & Star, High St., Sheffield.
(Sheffield) Daily Independent, Church St., Sheffield.	<i>Welsh daily, morning and evening, provincial papers.</i>
Sheffield Telegraph, High St., Sheffield.	South Wales Echo & Evening Express, Cardiff.
The Shields Gazette, Barrington St., South Shields.	South Wales Evening Post, Castle Bailey St., Swansea.
South Wales Daily Argus, High St., Newport.	Western Mail & South Wales News, St. Mary St., Cardiff.
Southern Daily Echo, 45, Above Bar, Southampton.	<i>Scotch daily, morning and evening, papers.</i>
Sunderland Echo & Shipping Gazette, Sunderland.	Aberdeen Evening Express, Broad St., Aberdeen.
Sussex Daily News, Brighton.	Aberdeen Press & Journal, Broad St., Aberdeen.
Swindon Evening Advertiser, Newspaper House, Swindon, Wilts.	The Bulletin, 65, Buchanan St., Glasgow C. 1.
Torbay Herald & Express, 23, Fleet St., Torquay.	(Dundee) Courier & Advertiser, Bank St., Dundee.
Western Evening Herald, 9, Frankfort St., Plymouth.	(Dundee) Evening Telegraph & Post, Dundee.
Western Morning News & Daily Gazette, 9, Frankfort St., Plymouth.	(Edinburgh) Evening Dispatch, 24, North Bridge, Edinburgh.
(Wolverhampton) Express & Star, Queen St., Wolverhampton.	Edinburgh Evening News, 18, Market St., Edinburgh.
(Yorkshire) Evening News, Trinity St., Leeds.	(Glasgow) Daily Record & Mail, Newspaper House, Hope St., Glasgow.

Scotch daily, morning and evening papers—contd.

(Glasgow) Evening Citizen, St. Vincent Place, Glasgow.
Glasgow Evening News, Newspaper House, Hope St., Glasgow.
(Glasgow) Evening Times, 65, Buchanan St., Glasgow, C. 1.
The Glasgow Herald, 65, Buchanan St., Glasgow, C. 1.
Greenock Telegraph, 12-16, Charles St., Greenock, Scotland.
Paisley Daily Express, 20, New St. Paisley.
The Scotsman, North Bridge, Edinburgh.
<i>Northern Irish daily, morning and evening, papers.</i>
Belfast News-Letter, 57-59, Donegall St., Belfast.
Belfast Telegraph, Royal Avenue, Belfast.
Irish Daily Telegraph, Royal Avenue, Belfast.
Irish News, Donegall St., Belfast.
Northern Whig & Belfast Post, Bridge St., Belfast.

English Sunday newspapers.

News of the World, Bouverie St., Fleet St., London, E. C. 4.
The Observer, 22, Tudor St., London, E. C. 4.
The People, 69-76, Long Acre, London, W. C. 2.
Sunday Graphic, 200 Gray's Inn Road, London, W. C. 1.

English Sunday newspapers—contd.

Sunday Pictorial, Geraldine House, Rolls Bldgs., Fetter Lane, London, E. C. 4.
The Sunday Referee, 17, Tudor St., London, E. C. 4.
Sunday Times, 200 Gray's Inn Rd., London, W. C.
Reynolds News, Pioneer House, Gray's Inn Road, London, W. C. 1.
Sunday Dispatch, Northcliffe House, London, E. C. 4.
The Sunday Express, Fleet Street, London, E.C.4.
Sunday Mercury, Newspaper House, Corporation St., Birmingham 4.

Scotch Sunday newspapers.

Sunday Mail, Newspaper House, Hope St., Glasgow.
Sunday Post, 144, Port Dundas Rd., Glasgow.

Trade and technical publications.

ANGLO-TRADE.

Anglo-American News, Bush House, London, W.C.2.
South American Journal, 52, Queen Victoria St., London, E.C.4.

ARCHITECTURE.

The Architect & Building News, Rolls House, Breams Bldgs., London, E.C. 4.
The Architects' Journal, 9, Queen Anne's Gate, London, S.W. 1.
Architectural Design & Construction, 26, Hart St., London, W. C. 1.
Architectural Review, 9, Queen Anne's Gate, London, S. W. 1.

Trade and technical publications—contd.

ARCHITECTURE—contd.

Parthenon (Journal of the Incorporated Assocn. of Architects & Surveyors),
43, Grosvenor Place
London, S.W.1.

BAKING.

Baker & Confectioner,
19, Cursitor St.,
London, E.C.4.

Bakers' Record,
110-111, Fleet Street,
London, E.C.4.

BANKING.

Bank Officer,
28, Old Queen St., Westminster,
London, S.W. 1.

The Banker,
20, Bishopsgate,
London, E.C.2.

Bankers, Insurance Managers & Agents
Magazine,
85-86, London Wall,
London, E.C. 2.

BOOT AND SHOE TRADE.

British Shoeman,
Drury House, Russell St.,
London, W. C. 2.

Footwear Organiser,
Drury House, Russell St.,
London, W. C. 2.

Shoe & Leather News,
Spencer House, South Place, Finsbury,
London, E. C. 2.

BUILDING.

The Builder,
4, Catherine St., Aldwych,
London, W. C. 2.

Builders' Merchants' Journal & Builders'
Ironmonger,
Premier House, Southampton Row,
London, W. C. 1.

Building,
33, Tothill St., Westminster,
London, S. W. 1.

Building Industries,
148, Renfield St.,
Glasgow, C. 2.

Cement & Lime Manufacture,
14, Dartmouth St.,
London, S. W. 1.

Trade and technical publications—contd.

Concrete Building & Concrete Products,
14, Dartmouth St., Westminster,
London, S. W. 1.

Contractor,
127-130, Temple Chrs.,
Temple Avenue, London, E.C. 4.

Master Builder,
Salisbury Sq. House,
London, E. C. 4.

National Builder,
13, Russell Sq.,
London, W. C. 1.

Refractories Journal,
9, Paradise Sq.,
Sheffield, 1.

CHAMBERS OF COMMERCE.

Aberdeen Chamber of Commerce Journal,
7, West George St.,
Glasgow.

Belfast Chamber of Commerce Journal,
Publicity Dept., Chamber of Com-
merce, Donegall Sq., W, Belfast.

Birmingham Chamber of Commerce
Journal,
95, New St.,
Birmingham.

Bradford Chamber of Commerce
Journal,
Commerce House, Cheapside,
Bradford.

Bradford & Dist. Chamber of Trade
Journal,
31, Sunbridge Rd.,
Bradford.

Bristol Chamber of Commerce Journal,
Broadmead,
Bristol.

Chamber of Commerce Journal,
69, Cannon St.,
London, E. C. 4.

Derby & Derbyshire Chamber of Com-
merce Monthly Journal,
St. Mary's Gate,
Derby.

Edinburgh Chamber of Commerce Jour-
nal,
7, West George St.,
Glasgow, C. 2.

Glasgow Chamber of Commerce Journal,
7, West George St.,
Glasgow, C. 2.

Trade and technical publications—contd.

CHAMBERS OF COMMERCE—contd.

Huddersfield Chamber of Commerce
Monthly Journal,
Sergeantson St.,
Huddersfield.

Leeds Chamber of Commerce Journal,
26-27, Park Row,
Leeds, 1.

Leicester & County Chamber of Com-
merce Journal,
3, Granby St.,
Leicester.

Manchester Chamber of Commerce
Monthly Record,
Ship Canal House, King St.,
Manchester.

Newcastle & Gateshead Chamber of
Commerce Monthly Journal,
Bemrose Publicity Co. Ltd., Wellington
St.,
Derby.

Nottingham Chamber of Commerce
Monthly Journal,
Bemrose Publicity Co., Ltd., Wellin-
gton St.,
Derby.

Quality,
Chamber of Commerce,
Sheffield.

Sunderland Chamber of Commerce
Journal,
184, High St.,
Sunderland.

Tess-Side Journal of Commerce,
E. T. W. Dennis & Sons Ltd., Printing
House Sq.,
Scarborough.

CHEMISTRY & CHEMICAL ENGINEERING.

Chemical Age,
Bouverie House, 154, Fleet St.,
London E. C. 4.

Chemical Trade Journal & Chemical
Engineer,
265, Strand,
London, W. C. 2.

The Chemical Works,
24-26, Water Lane,
London, E. C. 4.

Chemistry & Industry,
Clifton House, Euston Road,
London, N. W. 1.

Trade and technical publications—contd.
CHEMISTRY AND CHEMICAL ENGINEERING—
contd.

Industrial Chemist & Chemical Manufac-
turer,
33, Tothill St., Westminster,
London, S. W.

Journal & Proceedings of the Institute of
Chemistry,
30, Russell Sq.,
London, W. C. 1.

Journal of the Chemical Society,
47, Gresham St.,
London, E. C. 2.

Journal of the Society of Chemical In-
dustry,
Clifton House, Euston Road,
London, N. W. 1.

Manufacturing Chemist,
17, Stratford Place,
London, W. 1.

COAL AND FUEL.

Coal & Colliery News,
8, Lloyds Avenue,
London, E. C. 3.

Coal Merchant & Shipper,
49, Wellington St., Strand,
London, W. C. 2.

Colliery Engineering,
33 Tothill St., Westminster,
London, S. W. 1.

Colliery Guardian & Journal of the Coal
& Iron Trades,
30-31, Fumival St.,
London, E. C. 4.

COLD STORAGE.

Ice & Cold Storage,
35, Foster Lane, Cheapside,
London, E. C. 2.

COMMERCE & TRADING.

Birmingham Trader,
Eckington West, Worcester.

Board of Trade Journal,
H. M. Stationery Office, Princess St.,
London, S.W. 1.

British Industries,
7, Garrick St.,
London, W.C. 2.

British Trade Review,
52, Fetter Lane,
London, E.C.4.

The Manchester Guardian Commercial,
Cross St.,
Manchester.

Trade and technical publications—contd.

COMMERCE AND TRADING—contd.

Commercial Review & International
Journal of Credit Protection,
3, Berners St.,
London, W. 1.

Compendium of Commerce & Industrial
Power and Plant,
12, Rutherford St.,
London, S. W. 1.

The Independent Trader,
17-18, Henrietta St.,
London, W. C. 2.

Industry Illustrated,
Terminal House,
London, S. W.

Liverpool Trade Review,
1, Old Hall St.,
Liverpool.

London Commercial Record,
3, St. Clare St., Minories,
London, E. 1.

Mercantile Guardian,
52, Bishopsgate,
London, E. C. 2.

Modern Trader & Buyers' Guide,
Eckington West,
Worcester.

National Union of Manufacturers' Jour-
nal,
6, Holborn Viaduct,
London, E. C. 1.

P. L. A. Monthly,
110, Strand,
London, W. C. 2.

Small Trader,
1, Dorset Bldgs., Salisbury Sq.,
London, E. C. 4.

DECORATORS.

The Decorator,
49, Wellington St.,
London, W. C. 2.

DOMINIONS AND COLONIES.

African World & Cape-Cairo Express,
801, Salisbury House, London Wall,
London, E. C. 2.

British Malaya,
110, Strand,
London, W. C. 2.

East Africa & Rhodesia,
91, Gt. Tichfield St.,
London, W. 1.

Trade and Technical publications—contd.

DOMINIONS AND COLONIES—ontd.

New Zealand News,
92, Fleet St.,
London, E. C. 4.

South Africa,
Lambert House,
10-12, Ludgate Hill,
London, E. C. 4.

ELECTRICAL INDUSTRY.

Electrical Engineer,
Tower House, Southampton St.,
London, W. C. 2.

Electrical Industries,
13-16, Fisher St.,
London, W. C.

Electrical Review,
Dorset House, Stamford St.,
London, S. E. 1.

Electrical Times,
Sardinia House, Kingsway,
London, W. C. 2.

ENGINEERING.

Amalgamated Engineering Union Journal,
5/6, Red Lion Sq.,
London, W. C. 1.

British Engineers Export Journal,
Dorset House, Stamford St.,
London, S. E. 1.

British Industry & Engineering (in
Russian),
Walter House, Bedford St.,
London, W. C. 2.

Civil Engineering,
6, Tower Hill,
London, E. C. 3.

The Dock & Harbour Authority,
17-19, Harcourt St., Marylebone,
London, W. 1.

Eastern Engineering & Commerce,
1, Pavilion Bldgs.,
Brighton.

The Engineer,
28, Essex St., Strand,
London, W. C. 2.

Engineer & Iron Trades Advertiser,
180, West Regent St.,
Glasgow.

Engineering,
35-36, Bedford St., Strand,
London, W. C. 2.

Trade and technical publications—contd.

ENGINEERING—contd.

Engineering & Boiler House Review,
13-16, Fisher St.,
London, W. C. 1.

Journal & Transactions of the Society of
Engineers (Inc.),
17, Victoria St.,
London, S. W. 1.

Journal of the Institution of Civil
Engineering,
Gt. George St.,
London, S. W. 1.

Overseas Daily Mail Engineering Trade
Supplement,
Northcliffe House,
London, E. C. 4.

Power & Works Engineer,
33, Tothill St., Westminster,
London, S. W.

Structural Engineer,
12, Whitehall,
London, S. W. 1.

Textile Engineer,
75, Wood St.,
Manchester 3.

The Times Trade & Engineering,
Printing House Sq.,
London, E. C. 4.

EXPORT.

British Export Gazette,
76, Finsbury Pavement,
London, E. C. 2.

British & South African Export Gazette,
76, Finsbury Pavement,
London, E. C. 2.

British Trade Journal & Export World,
Bouverie House,
Fleet St.,
London, E. C. 4.

Export Trader,
Dorset House,
Stamford St.,
London, S. E. 1.

Merchant Shipper,
44-46, Leadenhall St.,
London, E. C. 3.

FINANCE AND INVESTMENT.

Eastern Economist,
187, Broomloan Rd.,
Govan.

Trade and technical publications—contd.

FINANCE AND INVESTMENT—contd.

The Economic Journal,
4, Portugal St.,
London, W. C. 2.

Economist,
8, Bouverie St.,
London, E. C. 4.

Financial World,
Empire House, Union St.,
Old Broad St.,
London, E. C.

The Investor,
15, Dowgate Hill,
London, E. C. 4.

Investors' Chronicle & Money Market
Review,
Grocer's Hall St.,
London, E. C. 2.

Investors' Guardian & Joint Stock Com-
panies Review,
13, Sise Lane,
London, E. C. 4.

Investors' Review,
16, St. Helen's Place,
London, E. C. 3.

Joint Stock Companies Journal,
11, Queen Victoria St.,
London, E. C. 4.

Stock Exchange Gazette,
330, Gresham House,
Old Broad St.,
London, E. C. 2.

Stockbroker,
131, Fleet St.,
London, E. C. 4.

GROCERY AND FOOD.

International Sugar Journal,
7-8, Idol Lane,
London, E. C. 3.

HARDWARE TRADE.

Hardware Trade Journal,
Bouverie House,
154-160, Fleet St.,
London, E. C. 4.

INSURANCE.

Commercial World & Insurance Budget,
57-58, Chancery Lane,
London, W. C. 2.

*Trade and technical publications—contd.***LEATHER TRADE.**

Leather Goods,
W. B. Tattersall Ltd.,
43-44, Shoe Lane,
London E. C. 4.

Leather Trades Review,
Bouverie House,
Fleet St.,
London E. C. 4.

Leather World,
8, St. Thomas St.,
London S. E. 1.

MACHINERY.

English Mechanics,
Rolls House, Breems Bldgs.,
London, E. C. 4.

The Machinist, (European Edition
American Machinist),
Aldwych House, Aldwych,
London, W. C. 2.

METAL INDUSTRIES.

Aluminium & The Non-Ferrous Review,
26, Ludgate Hill,
London, E. C. 4.

British Steelmaker,
Russell House,
Adam St.,
London, W. C. 2.

Foundry Trade Journal,
49, Wellington St., Strand,
London, W. C. 2.

Iron & Coal Trades Review,
49, Wellington St., Strand,
London W. C. 2.

Iron & Steel Industry,
22, Henrietta St., Strand,
London, W. C. 2.

Journal of the Institute of Metals,
63, Ludgate Hill,
London, E. C. 4.

Light Metals,
5-17, Rosebery Avenue,
London, E. C. 1.

Metal Industry,
22, Henrietta St.,
Strand,
London, W. C. 2.

Metallurgia,
21, Albion St.,
Gaythorn,
Manchester.

*Trade and technical publications—contd.***MINING.**

Bulletin of the Institution of Mining &
Metallurgy,
A. Mgrs., T. G. Scott & Son Ltd.,
63, Ludgate Hill,
London, E. C. 4.

Gold Mining Record,
Empire House, Union Ct.,
London, E. C. 2.

Mining Journal, Railway & Commercial
Gazette,
15, George St., Mansion House,
London, E. C. 4.

Mining World & Engineering Record,
Gresham House, Old Broad St.,
London, E. C. 2.

**MUNICIPAL WORKS AND LOCAL GOVERN-
MENT.**

Contract Journal,
127-130, Temple Chrs., Temple
Avenue,
London, E. C. 4.

Contractors Record & Municipal En-
gineering,
329, High Holborn,
London, W. C. 1.

Local Government Service,
A. Agents: A. Darby's Advtg. Ser-
vice,
(24-26 Water Lane,
London, E. C. 4.).

Municipal & Country Engineers Official
Journal,
13, Victoria St.,
London, S. W. 1.

Municipal Engineering,
8, Breems Bldgs.,
London, E. C. 4.

Municipal Journal & Public Works
Engineer,
3 & 4 Clements Inn Strand,
London, W. C. 2.

OIL AND PETROLEUM.

Journal of the Institution of Petroleum
Technologists,
Aldine House, Bedford St.,
London, W. C. 2.

Oil News,
70-74 London Rd.,
London, S. E. 1.

Oil Trade Gazette,
71, Eastcheap,
London, E. C. 3.

*Trade and technical publications—contd.***OIL AND PETROLEUM—contd.**

Petroleum Times,
Shell-Mex House,
London, W. C. 2.

World Petroleum,
3, Savoy Place,
London, W. C. 2.

PAPER TRADE AND PHARMACEUTICAL.

The World's Paper Trade Review,
Seymour House,
Charterhouse St.,
London, E. C. 1.

The Chemist & Druggist,
28, Essex St., Strand,
London, W. C. 2.

Pharmaceutical Journal,
23, Bloomsbury Sq.,
London, W. C. 1.

QUARRING AND ROADMAKING.

Highways & Bridges,
40-3, Chancery Lane,
London, W. C. 2.

Quarry Managers' Journal,
Salisbury Sq. House,
London, E. C. 4.

RUBBER.

India Rubber Journal,
38, Shoe Lane,
London, E. C. 4.

Rubber Age,
88-90, Chancery Lane,
London, W. C. 2.

Tea & Rubber Mail,
47, Fleet St.,
London, E. C. 4.

SHIPPING.

Journal of Commerce, Shipbuilding &
Engineering Edition,
Liverpool.

Journal of Commerce & Shipping Tele-
graph,
Liverpool, 2.

Lloyd's List & Shipping Gazette,
Lloyd's,
London, E. C. 3.

Shipbuilder & Marine Engine-Builders,
47, Victoria St.,
London, S. W. 1.

*Trade and technical publications—contd.***SHIPPING—contd.**

Shipbuilding & Shipping Record,
33, Tothill St., Westminster,
London, S. W.

Shipping,
20, North John St.,
Liverpool.

Shipping World,
Effingham House,
Arundel St., Strand,
London, W. C. 2.

SPORTS TRADE.

Sports Trader,
W. B. Tattersall, Ltd.,
43-44, Shoe Lane,
London, E. C. 4.

TEXTILE AND DRAPERY.

Cotton,
411, Royal Exchange (4th Floor),
Manchester.

Cotton Gazette,
20, North John St.,
Liverpool.

Drapers' Chamber of Trade of Britain &
Ireland Official Monthly Journal,
26, Charing Cross Rd.,
London, W. C. 2.

Drapers' Organiser,
Drury House, Russell St.,
London, W. C. 2.

Drapers' Record,
154, 6, Cheapside,
London, E. C. 2.

Dundee Textile Report,
30, Meadowside,
Dundee.

Dyer & Textile Printer,
Drury House, Russell St.,
London, W. C. 2.

International Cotton Bulletin,
26, Cross St.,
Manchester, 2.

International Textiles,
167, Strand,
London, W. C. 2.

Irish Textile Journal,
Ocean Bldgs.,
Belfast.

Jute,
80, Fleet St.,
London, E. C. 4.

LIST I—contd.

Newspapers in British India, Burma and Ceylon which receive English material—contd.

<i>Trade and technical publications—contd.</i> TEXTILE AND DRAPERY—contd. Overseas Daily Mail Drapery & Textile Industries Supplement, Northcliffe House, London, E. C. 4. Textile Design, Ludgate House, Fleet St., London, E.C. 4. Textile Industry & Exporter, 21, Albion St., Gaythorn, Manchester. Textile Institute Journal, 16, St. Mary's Parsonage, Manchester. Textile Manufacturer, 31, King St. West, Manchester.	<i>Trade and technical publications—concl'd.</i> TEXTILE AND DRAPERY—contd. Textile Recorder, Old Colony House, South King St., Manchester. Textile Weekly, 49, Deansgate, Manchester, 3. Wool Record & Textile World, 10, Booth St., Bradford. TRANSPORT. Railway Gazette, 33, Tothill St., Westminster, London, S. W. World's Carriers & Carrying Trades* Review, Bangor House, 68-69, Shoe Lane, London, E. C. 4.
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LIST I.

Newspapers in British India, Burma and Ceylon which receive English material.

<i>Ajmer-Merwara.</i> 1. The Editor, Durbār, Ajmer. <i>Assam.</i> 2. The Editor, Assam Tribune, Dibrugarh. 3. The Editor, Times of Assam, Dibrugarh. 4. The Editor, Assam Herald, Sylhet. <i>Bangalore.</i> 5. The Editor, Daily Post, Bangalore. <i>Bengal.</i> 6. The Editor, Advance, Calcutta. 7. The Editor, Amrita Bazar Patrika, Calcutta.	<i>Bengal—contd.</i> 8. The Editor, Hindustan Standard, Calcutta. 9. The Editor, Indian Affairs, Calcutta. 10. The Editor, Orient, 93/A, Dharamtalla St., Calcutta. 11. The Editor, Statesman, Calcutta. 12. The Editor, Star of India, Calcutta. <i>Bihar.</i> 13. The Editor, Indian Nation, Patna. 14. The Editor, Searchlight, Patna. <i>Bombay.</i> 15. The Editor, Bombay Chronicle, Bombay.
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<i>Bombay—contd.</i> 16. The Editor, Bombay Sentinel, Bombay. 17. The Editor, Evening News of India, Bombay. 18. The Editor, Free Press Journal, Bombay. 19. The Editor, Times of India, Bombay. 20. The Editor-in-Chief, Standard Newspapers Ltd., Newspaper House, Colaba, Bombay. 21. The Editor, Independent India, Bombay. 22. The Editor, Kaiser-i-Hind, Bombay. <i>Central Provinces and Berar.</i> 23. The Editor, Nagpur Times, Nagpur. 24. The Editor, Hitavada, Nagpur. 25. The Editor, Harijan, Wardhaganj. <i>Delhi.</i> 26. The Editor, Hindustan Times, New Delhi. 27. The Editor, National Call, Delhi. 28. The Editor, Statesman, New Delhi. 29. The Editor, Jivan Sudha, 7, Daryaganj, Delhi. <i>Madras.</i> 30. The Editor, Hindu, Madras.	<i>Madras—contd.</i> 31. The Editor, Indian Express, Madras. 32. The Editor, The Mail, Madras. 33. The Editor, Sunday Times, Madras. <i>N. W. F. Province.</i> 34. The Editor, Khyber Mail, Peshawar. <i>Orissa.</i> 35. The Editor, New Orissa, Berhampur. 36. The Editor, 'Observer', Cuttack. <i>The Punjab.</i> 37. The Editor, Civil & Military Gazette, Lahore. 38. The Editor, Daily Herald, Lahore. 39. The Editor, Tribune, Lahore. 40. The Editor, Eastern Times, Lahore. 41. The Editor, Fauji Akhbar, Simla/New Delhi. 42. The Editor, Sunday Times, Lahore. <i>Sind.</i> 43. The Editor, Daily Gazette, Karachi. 44. The Editor, Karachi Daily, Karachi.
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LIST I—concl'd.

Newspapers in British India, Burma and Ceylon which receive English material—concl'd.

<i>Sind—concl'd.</i>	<i>The United Provinces—concl'd.</i>
45. The Editor, Sind Observer, Karachi.	48. The Editor, Pioneer, Lucknow.
46. The Editor, Sind Newspapers, Ltd., Campbell Street, Karachi.	49. The Editor, National Herald, Lucknow.
<i>The United Provinces.</i>	50. The Editor, Desh Doot, c/o The Indian Press Ltd., Allahabad.
47. The Editor, Leader, Allahabad.	51. The Editor-in-Chief, Independent News Service, Lucknow.

LIST II.

Newspapers from Indian States which receive English material.

<i>Baroda.</i>	<i>Mysore.</i>
1. The Editor, Bharat, Near Tower, Baroda.	7. The Editor, Visvakarnataka, Bangalore City, Mysore.
2. The Editor, Sayaji Vijaya, Baroda.	8. The Editor, Tai Nadu, Bangalore City, Mysore.
3. The Editor, Nava Gujarati, Baroda.	9. The Editor, Janavani, Cottonpet, Bangalore City, Mysore.
<i>Cochin.</i>	10. The Editor, Kathiawar Times, Rajkot.
4. The Editor, Deepon, Ernakulam, Cochin.	<i>Travancore.</i>
5. The Editor, Malabar Mail, Ernakulam, Cochin.	11. The Editor, Trivandrum Daily News, Trivandrum, Travancore.
<i>Gwalior.</i>	12. The Editor, Malayala Rajyam, Quilon, Travancore.
6. The Editor, Jayaji Pratap, Gwalior.	13. The Editor, Malayali, Trivandrum, Travancore.
	14. The Editor, Dekshini Bharathi, Trivandrum.

Newspapers which receive material on special subjects (English).

<i>Economic, Financial and Commercial.</i>	<i>Economic, Financial and Commercial— concl'd.</i>
1. The Editor, Capital, Calcutta.	9. The Editor, 'Vyapar', Hapur (Meerut).
2. The Editor, Commerce & Industry, Delhi.	<i>Cotton.</i>
3. The Editor, Commerce, Bombay.	10. The Editor, Cole Daily News, Bombay.
4. The Editor, Financial News, 43, Espalanade Road, Yusuf Building, Churchgate Street, Bombay.	<i>Labour.</i>
5. The Editor, Indian Textile Journal, Bombay.	11. The Editor, New India, Nagpur.
6. The Managing Director, Thorne's Ltd., 13, Ezra Mansions, Calcutta.	<i>Material from Industrial Research Bureau.</i>
7. The Editor, Varthaga Oollian, Trichinopoly (S. India).	12. The Editor, Current Science, Hebbal P. O., Bangalore.
8. The Editor, Indian Sugar, 100 Clive Street, Calcutta.	13. The Editor, Indian and Eastern, Engineer, 5 Mission Road, Calcutta.
	<i>Industry.</i>
	14. The Managing Editor, National Reconstruction, 4-1A Waterloo Street, Calcutta.
	15. The Editor, Industrial India, Delhi.

Distribution List of Urdu Publicity Material.

<i>BRITISH INDIA.</i>	<i>BRITISH INDIA—concl'd.</i>
<i>Bengal.</i>	<i>Baluchistan—concl'd.</i>
1. The Editor, Rozana Hind, Calcutta.	5. The Editor, Pasban, Quetta.
2. The Editor, Asri-i-Jadid, Calcutta.	<i>Bombay.</i>
<i>Baluchistan.</i>	6. The Editor, Ajmal Daily, Bombay, 3.
3. The Editor, Istiqlal, Quetta.	7. The Editor, Rozanama-i-Khalafat, Bombay.
4. The Editor, El-Islam, Quetta.	8. The Editor, Al-Hilal, Bombay.

Distribution List of Urdu Publicity Material—contd.

BRITISH INDIA—contd.	BRITISH INDIA—contd.
<i>Central Provinces and Berar.</i>	<i>North West Frontier—contd.</i>
9. The Editor, Sadai Muslim, Jubbulpore.	23. The Editor, Prabhat, Peshawar.
<i>Delhi.</i>	<i>The Punjab.</i>
10. The Editor, Din-o-Dunya, Delhi.	24. The Editor, Ehsan, Lahore.
11. The Editor, Munadi, Delhi.	25. The Editor, Fauji Akhbar, Simla.
12. The Editor, Riyasat, Delhi.	26. The Editor, Hindu, Lahore.
13. The Editor, Swarajya, Delhi.	27. The Editor, Inqilab, Lahore.
14. The Editor, Tej, Delhi.	28. The Editor, Milap, Lahore.
15. The Editor, Wahdat, Delhi.	29. The Editor, Pratap, Lahore.
16. The Editor, Watan, Delhi.	30. The Editor, Vir Bharat, Lahore.
17. The Editor, Anjam, Kucha Pandit, P. O. Box No. 68, Delhi.	31. The Editor, Zamindar, Lahore.
<i>Madras.</i>	32. The Editor, Shahbaz, Lahore.
18. The Editor, Muselman, Madras.	<i>Sind.</i>
<i>North-West Frontier Province.</i>	33. The Editor, The Daily "Hayat", Hassanali Effendi Road, Karachi.
19. The Editor, Frontier Advocate, Peshawar.	<i>The United Provinces.</i>
20. The Editor, Mujahid, Dera Ismail Khan.	34. The Editor, Huq, Lucknow.
21. The Editor, Tarjuman-i-Sarhad, Peshawar.	35. The Editor, Hindustan, Lucknow.
22. The Editor, Sarhad, Peshawar.	36. The Editor, Madina, Bijnor.

Distribution List of Urdu Publicity Material—contd.

BRITISH INDIA—concl.	INDIAN STATES.
<i>The United Provinces—contd.</i>	
37. The Editor, Swarajya, Swarajya Prakashah Mandir, Ltd., 4-A, Park Road, Lucknow.	43. The Editor, Payam, Hyderabad, Deccan.
38. The Editor, Asia, Agra.	44. The Editor, Nadim, Bhopal.
39. The Prem Pracharak, Dayal Bagh, Agra.	45. The Editor, Al Kalam, Bengalore City, Mysore.
40. The Editor, Qaumi Gazette, Ghaziabad.	46. The Editor, "Nazim," Rampur State, Rampur.
41. The Editor, Sarfray, Lucknow.	
42. The Editor-in-Chief, Independent News Service, Lucknow.	

Distribution List of Hindi Publicity Material.

BRITISH INDIA.	BRITISH INDIA—contd.
<i>Ajmer-Merwara.</i>	<i>Bihar—contd.</i>
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Border Morning Mail, P. O. Box No. 46, Albury, N. S. W., Australia.	The Sun News Pictorial, 62-74, Flinders Street, Melbourne, Australia.
(Brisbane) Courier-Mail, Queen Street, Brisbane, Queensland, Australia.	(Sydney) Daily Telegraph, 168-174, Castlereagh Street, Sydney, N. S. W., Australia.
Herald, Flinders Street, Melbourne, Victoria, Australia.	Sydney Morning Herald, Sydney, N. S. W., Australia.
Mercury, Macquarie Street, Hobart, Tasmania, Australia.	Telegraph, Queen & Elizabeth Streets, Brisbane, Queensland, Australia.
Newcastle Morning Herald, 28, Bolton Street, Newcastle, N. S. W., Australia.	Townsville Daily Bulletin, 207, Flinders Street, Townsville, North Queensland, Australia.
	West Australian, 127, St. George's Ter Perth, Australia.

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Sunday Times, Perth, W. Australia.	Truth, Brisbane, Queensland, Australia.
Inverell Times, Otho Street, Inverell, N. S. W., Australia.	Truth, Adelaide, Australia.
Northern Champion, Taree, N. S. W., Australia.	Truth, Tasmania, Australia.
South Eastern Times, Millicent, Australia.	Weekly Times, Flinders Street, Melbourne Victoria, Australia.
South Western Times, Victoria Street, Bunbury, W. Australia.	Western Mail, 127, St. George's Terr, Perth, Australia.
Wellington Times, 76, Percy Street, Wellington, N. S. W., Australia.	World's News, 60-66, Elizabeth Street, Sydney, N. S. W., Australia.
Bulletin, 252, George Street, Sydney, N. S. W., Australia.	Australian Journal, 350-352, Swanston Street, Melbourne, Australia.
The Chronicle, Adelaide, Australia.	Architectural & Building Journal of Queensland, Kodak Buildings, Queen Street, Brisbane, Queensland, Australia.
Express & Journal, Adelaide, Australia.	Australasian Baker & Millers' Journal, 29, Alberta Street, Sydney, N. S. W., Australia.
New Idea, 230, Stanley Street, Melbourne. Australia.	Australasian Engineer, 20, Loftus Street, Sydney, N. S. W., Australia.
The Queenslander, 240, Queen Street, Brisbane, Queensland, Australia.	Australasian Journal of Pharmacy, 360, Swanston Street, Melbourne, Victoria, Australia.
The Referee, 126, Phillip Street, Sydney, N. S. W., Australia.	Australasian Leather Trades Review, 29, Alberta Street, Sydney, N. S. W., Australia.
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Australian Food Manufacture, 561-5, Little Bourke Street, Melbourne, Australia.	Electrical Engineer & Merchandiser, 349, Collins Street, Melbourne, Australia.
Australian Leather Journal, Boot and Shoe Recorder, 561, Little Bourke Street, Melbourne, Australia.	Hardware & Machinery, 19, Queen Street, Melbourne, Australia.
Australian Sugar Journal, Q. P. I. Buildings, Adelaide Street, Brisbane, Queensland, Australia.	Industrial Australian & Mining Standard, 376, Flinders Lane, Melbourne, Victoria, Australia.
Bankers' Magazine of Australasia, C/o Bankers Institute of Australia, 57-59, Swanston Street, Melbourne, Victoria, Australia.	Industrial & Structural Engineering, 10, Bligh Street, Sydney, N. S. W., Australia.
Building & Construction, 121-3, Beaufort Street, Perth, Australia.	Journal of Commerce, Alfred Street, Valley, Brisbane, Australia.
Building & Manufacturing Journal, Ryan House, Eagle Street, Brisbane, Queensland, Australia.	Queensland Industrial Gazette, Department of Labour, Edward Street, Brisbane, Queensland, Australia.
Building Magazine, 20, Loftus Street, Sydney, N. S. W., Australia.	Swedish-Australian & Swedish-New Zea- land Trade Journal, 33, Carrington Street, Sydney, N. S. W., Australia.
Chemical Engineering & Mining Review, 349, Collins Street, Melbourne, Australia.	Textile Journal of Australia, 241, William Street, Melbourne, Victoria, Australia.
Commerce, Sydney Chamber of Commerce, Inc., Grosvenor Street, Sydney, N. S. W., Australia.	Traders News, 328, Flinders Street, Melbourne, Victoria, Australia.
Commercial Australia, 16, Bond Street, Sydney, N. S. W., Australia.	Transport & Engineering in Australia, Bond Street, Sydney, N. S. W., Australia.
	Weekly Trade Gazette, Chamber of Manufactures, 12-14, Firie Street, Adelaide, Australia.

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White Mercantile Gazette, 243, Adelaide Street, Brisbane, Queensland, Australia.	New Zealand Observer, 12, Wyndham Street, Auckland, New Zealand.
Auckland Star, Shortland Street, Auckland, New Zealand.	Exporter & Home Journal, Dominion Buildings, Wellington, New Zealand.
Bay of Plenty Press, Whakatane Bay of Plenty, New Zealand.	Journal of the N. Z. Institute of Archi- tects, H. H. Tombs Limited, 22, Wingfield Street, Wellington, New Zealand.
Christchurch Star-Sun, Cathedral Sq., Christchurch, New Zealand.	The New Zealand Banker, P. O. Box No. 1170, Wellington, New Zealand.
Dannevirke Evening News, 21, Gordon St., Dannevirke Hawkes Bay, New Zealand.	New Zealand Engineer, 10, Civic Square, Auckland, New Zealand.
Domminion, Wakefield Mercer & Bond St., P. O. Box 1481, Wellington, New Zealand.	Die Burger, Cape Town, South Africa.
Dunedin Evening Star, Stuart St., Dunedin, New Zealand.	Cape Argus, Cape Town, South Africa.
Gisborne P. B. Herald, Gladstone Road, Gisborne, New Zealand.	Cape Times, P. O. Box No. 11, Capetown, South Africa.
Greymouth Evening Star, Greymouth, New Zealand.	Daily Dispatch, East London, Cape Province, South Africa.
Marlborough Express, P. O. Box 31, Blenheim, Marlborough, New Zealand.	Daily News & Natal Advertiser, Durban, Natal, South Africa.
(Napier) Daily Telegraph, 27, Tennyson Street, Napier Hawkes Bay, New Zealand.	Daily Representative, Queenstown, Cape Province, South Africa.
New Zealand Herald, 149, Queen Street, Auckland, New Zealand.	(Durban) Daily Tribune, Durban, Natal, South Africa.
Northern Advocate, Water Street, Whangarei, North Auckland, New Zealand.	

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Grocott's Daily Mail, Grocott & Sherry Grahamstown, Cape Province, South Africa.	Independent, P. O. Box No. 716, 4-7, United Buildings, Port Elizabeth, South Africa.
(Johannesburg) Daily Express, Johannesburg, South Africa.	South Africa, Lambert House, 10.
Natal Mercury, Durban, Natal, South Africa.	South Africa, Lambert House, 10-12, Ludgate Hill, South Africa.
Natal Witness, 244, Longmarket Street, Maritzburg, Natal, South Africa.	British Trade in South Africa, P. O. Box No. 845, Cape Town, South Africa.
Pretoria News, Pretoria, South Africa.	The Buyer, Argus Building, St. George's Street, Cape Town, South Africa.
Rand Daily Mail, P. O. Box No. 1138, Johannesburg, Transvaal, South Africa.	Commercial Opinion, P. O. Box No. 204, Cape Town, South Africa.
The Star, Johannesburg, Transvaal, South Africa.	Engineer & Roundryman, P. O. Box No. 1338, Johannesburg, South Africa.
Die Transvaler, Johannesburg, South Africa.	The Furnisher, 64, Walter Wise's Building, 50, Joubert Street, Johannesburg, South Africa.
Die Vaderland, 3, Plein Street, Johannesburg, South Africa.	Industrial & Commercial South Africa & Storekeepers' Review, 28, St. George's Street, Cape Town, South Africa.
Die Volksblad, Bloemfontein, Orange Free State, South Africa.	Journal of the Chemical Metallurgical & Mining Society of South Africa, P. O. Box No. 1183, Johannesburg, South Africa.
Sunday Express, P. O. Box No. 4585, Johannesburg, South Africa.	Journal of the Institution of Certificated Engineers, P. O. Box No. 3361, Johannesburg, South Africa.
Sunday Times, P. O. Box No. 1138, Cnr. Rissik & Jeppe Sts., Johannesburg, South Africa.	

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Mining & Industrial Magazine of South- ern Africa, 17, National Bank Buildings, Simmonds Street, Johannesburg, South Africa.	South African Property Review, Insurance & Financial Gazette, 90-92, Permanent Buildings, Harrison Street, Johannesburg, South Africa.
South African Architectural Record, 202, Kelvin House, Marshall Street, Johannesburg, South Africa.	Bantu Mirror, Bulawayo, S. Rhodesia, Africa.
South African Banker & Miller, 54, Marshall Street, Johannesburg, South Africa.	Bulawayo Daily Chronicle, P. O. Box No. 585, Bulawayo, S. Rhodesia, Africa.
South African Builder, P. O. Box No. 2375, Johannesburg, South Africa.	Bulawayo Weekly Chronicle, P. O. Box No. 585, Bulawayo, S. Rhodesia, Africa.
South African Mining & Engineering Journal, 201-206, Jubilee House, Simmonds Street, Johannesburg, South Africa.	East Africa & Rhodesia, 91, Gt. Titchfield Street, Rhodesia, Africa.
South African Sugar Journal, 7, St. Andrews Buildings, P. O. Box No. 1209, Durban Natal, South Africa.	Livingstone Mail, P. O. Box No. 5, Livingstone, N. Rhodesia, Africa.
Africa, P. O. Box No. 6799, Johannesburg, South Africa.	Rhodesia Daily Herald, Salisbury, S. Rhodesia, Africa.
Escom, Escom House, Johannesburg, South Africa.	Rhodesia Weekly Herald, Salisbury, S. Rhodesia, Africa.
Industries of South Africa, P. O. Box No. 997, Durban, Natal, South Africa.	Southern Rhodesia Government Gazette, Salisbury, S. Rhodesia, Africa.
Journal of the Institute of Bankers, in South Africa, P. O. Box No. 2213, Cape Town, South Africa.	Sunday Mail, Salisbury, S. Rhodesia, Africa.
Municipal Affairs, 222, St. Andries Street, Pretoria, South Africa.	Sunday News, Bulawayo, S. Rhodesia, Africa.
Nongqai, P. O. Box No. 828, Pretoria, South Africa.	Umtali Advertiser, Umtali, S. Rhodesia, Africa.
	New Light of Burma, 61, Sule Pagoda Road, Rangoon, Burma.

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Rangoon Evening Post, 99, Canal Street, Rangoon.	East Africa & Rhodesia, 91, Gt. Titchfield Street, Rhodesia, Africa.
Rangoon Gazette, 379, Sparks Street, Rangoon.	East African Coast Guardian, P. O. Box No. 565, Mombasa, Kenya, Africa.
Rangoon Times, 486, Merchant Street, Rangoon.	East African Standard, P. O. Box No. 380, Nairobi, Kenya Colony, Africa.
Swadesa Paripalini, 91, Evanson Street, Kandawglay Post, Rangoon.	East African Trader's Magazine, P. O. Box No. 166, Nairobi, Kenya, Africa.
Rangoon Mail, 2-1-243, 37th Street, Rangoon.	Malay Mail, Kuala Lumpur, Federated Malay Straits.
Star of Burma, 26th B. Road, Mandalay, Burma.	Malaya Tribune, 104/116, Anson Road, Singapore S. S.
Sun Magazine, 65-67, Fraser Street, Rangoon.	Penang Gazette & Straits Chronicle, 12, Bishop Street, Penang, S. S.
Sun Tri-Weekly, 65-67, Fraser Street, Rangoon.	Singapore Free Press, 146, Cecil Street, Singapore S. S.
Ceylon Daily News, Lake House, Colombo.	Straits Echo, 216, Penang Road, Penang S. S.
Ceylon Independent, P. O. Box No. 74, Colombo.	Straits Times, 78, Cecil Street, Singapore S. S.
Ceylon Observer, Lake House, Colombo.	Sunday Times, 78, Cecil Street, Singapore S. S.
Dinamina, Colombo.	Sunday Tribune, 104/116, Anson Road, Singapore S. S.
Lakmina, 41, 1st Division Maradana, Colombo.	Hongkong Sunday Herald, 3A, Wyndham Street, Hongkong.
Thinakaran, Colombo.	Hongkong Telegraph, 1-3, Wyndham Street, Hongkong.
Times of Ceylon, Times Building, Colombo.	Hongkong Weekly Press & China, Overland Trade Report, 11, Ice House, Street, Hongkong.

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Hongkong.

Palestine Post,
P. O. Box No. 625,
Jerusalem, Palestine.

Palestine Commercial Bulletin,
Dept. of Customs, Excise & Trade,
P. O. Box No. 541,
Haifa, Palestine.

Haaretz,
P. O. Box No. 233,
56, Maze Street,
Tel-Aviv, Palestine.

**ALLOWANCE PAID TO RAILWAY SERVANTS BY THE POSTS AND TELEGRAPHS
DEPARTMENT FOR LOCAL AND TRUNK CALLS.**

147. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Was a small allowance paid to railway servants on the E.I.R. for working on behalf of the Posts and Telegraphs Department for each local and trunk call made by the public in pursuance of sub-paragraph 5 of paragraph 378, Posts and Telegraphs Manual, Volume X?

THE HONOURABLE MR. L. WILSON: Yes.

**ALLOWANCE PAID TO RAILWAY SERVANTS BY THE POSTS AND TELEGRAPHS
DEPARTMENT FOR LOCAL AND TRUNK CALLS.**

148. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Has the allowance referred to in the preceding question been stopped from 1st September, 1937 over the E.I.R.?

THE HONOURABLE MR. L. WILSON: Yes.

**ALLOWANCE PAID TO RAILWAY SERVANTS BY THE POSTS AND TELEGRAPHS
DEPARTMENT FOR LOCAL AND TRUNK CALLS.**

149. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Why has this distinction in respect of the allowance for working for the Posts and Telegraphs Department been made on one particular railway system while on other railway systems this arrangement still continues?

(See answer to question No. 150.)

**ALLOWANCE PAID TO RAILWAY SERVANTS BY THE POSTS AND TELEGRAPHS
DEPARTMENT FOR LOCAL AND TRUNK CALLS.**

150. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government state the reason for not adopting a uniform system over all the Railways in respect of the allowance for working for the Posts and Telegraphs Department?

THE HONOURABLE MR. L. WILSON: With your permission, Sir, I propose to answer questions Nos. 149 and 150 together.

I am having the matter examined and shall intimate the result to the House in due course.

SURCHARGE ON RAILWAY FREIGHT ON COAL.

151. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is Government considering the abolition of surcharge on the railway freight on coal? If so, from what date, and if not, why not?

THE HONOURABLE MR. L. WILSON: Government are not in a position to consider abolition of the surcharge on railway freight on coal owing to the sacrifice in revenue it would involve.

PROTECTIVE DUTIES CONTINUATION BILL.

THE HONOURABLE SIR ALAN LLOYD (Commerce Secretary): Sir, I move:—

"That the Bill to extend the date up to which certain duties characterized as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect, as passed by the Legislative Assembly, be taken into consideration."

Sir, this Bill deals with three groups of protective duties which are due to expire on the 31st of March of this year. The proposal that is placed before the Legislature is that the existing protective duties should be maintained for another year. The reason for this proposal is very briefly that in existing conditions created by the war it is really impossible to ascertain what degree of protection would be appropriate in normal conditions. While the war lasts, Sir, the subject is of very little practical interest in the case of gold wire, the ordinary sources of supply of which were France and Germany, now entirely cut off; and of iron and steel, since the Indian industry is fully occupied and more than fully occupied and no juggling with the protective duty would make any difference to that position and since the imports from our usual competitors have to all intents and purposes disappeared and have been replaced to an extremely limited extent by strictly controlled imports from the United States.

As regards sugar, the position is not quite the same. In the ordinary course where a protective duty is about to expire some sort of inquiry, usually through a Tariff Board, is set up something like a year in advance. When the time came for considering this point earlier in the present financial year, it was realized that the task of any Tariff Board or other inquiring agent would be practically impossible owing to the extremely complicated and difficult position in which the sugar industry found itself as a result of events that have taken place mainly in the United Provinces and Bihar. Members of this House will, I am sure, remember having been informed of the proceedings of a Conference held in June, 1940. Since then the Provincial Governments mainly concerned have certainly been able to move to a certain extent in the direction of bringing a little order out of the chaos that existed at that time. But this did not occur in time to make it possible to establish any regular inquiry such as is desirable before formal modifications to protective duties should be put forward; and for this reason in the case of sugar also we are asking that we should be allowed to mark time once again for another year.

Sir, I move.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan): Sir, I am interested in this Bill so far as it concerns sugarcane. The Honourable the Mover has himself admitted that the position of sugar is not on a par with other industries which are receiving extended protection. This year the sugarcane growers of Bihar and the United Provinces are faced with a calamity the parallel of which we never had before. The position at the moment was brought about by the fact that the Congress Ministry in the year 1937-38 fixed the price of sugarcane at a very high level. This led to an extended cultivation of sugarcane by the agriculturists. When the Congress Government resigned in 1939 in the last quarter, our present masters,

[Mr. Hossain Imam.]

the bureaucrats, in order to curry favour with the Congress fixed the same price level which the Congress had fixed without regard to the fact whether it would be economical or uneconomical and what would be the result on the industry in general and the agriculturists in particular. The result was a year of enhanced prosperity to the agriculturist, but a year of difficulty for the sugar manufacturers. When the year 1940 started, on the assumption that high prices are to be received and consumption will be on the up grade, agriculturists further increased their cultivation. The position became clear about the month of June, 1940 that there was to be a very great excess of sugarcane production. It was coupled with the additional alarming fact that sugar manufacturers found themselves saddled with a great amount of their product which had not found any market. A scheme was thought of of exporting sugar to other countries, but the negotiations between the Government and the sugar manufacturers did not come to a happy conclusion. The price factor remained a stumbling block, with the result that the Central Government had to come to the rescue of the sugar manufacturers by advancing to provinces money through which excise duties were paid to the Government. No doubt the Central Government did a little to help the industry, but every appeal of ours to help the agriculturists was turned down. I would remind the House of the Conference which Dr. Rajendra Prasad held with the sugar industry and the proposal which emanated from that Conference. There is wide political difference between myself and Dr. Rajendra Prasad, but that does not stand in the way of my realizing that the path which he had suggested, the proposal which the Conference had made, was eminently more suitable than the one decided upon by the Governments of Bihar and the United Provinces. Sir, in the Imperial Council of Agricultural Research there is a Committee known as the Sugar Committee on which the sugarcane growers, sugar manufacturers, agricultural interests as well as scientific knowledge is available. That Conference discussed this question and the comment of commercial men was very outspoken. They all said that this policy of the Government of *laissez faire* was wrong. Provincial Governments, because of their jealousies, were keen on expansion. Every province wanted to be self-contained in the matter of sugar. This trouble has arisen because of the high margin of protection that is given. If protection were brought down to the level to which it should be, then the trouble would not have arisen. Excessive protection is a double-edged weapon. It does no doubt give support to industry in its initial stage. An industry which would not have been established if generous protection had not been given dies because of the fact that there is uneconomic competition inside. The House knows that we had a lot of trouble with the Sugar Syndicate. The very formation of the Sugar Syndicate was brought about because of this uneconomic internal competition. The prices had gone down to such a low level that it was impossible for anyone to manufacture sugar on that basis. After the Sugar Syndicate was formed, the prices rose up, the Government later found that it could not allow the Sugar Syndicate to function without its control. Government intervened, and now we have a different constitution for the Sugar Board. My appeal to the Government is that this shelving of the question may not bring about immediate harm because of the difficulty in importing machinery from abroad. But a position like this ought not to be allowed to continue a day longer than is necessary. Government had ample time even in peace conditions to examine. They had received enough material from the industrialist that the protection was too high. The provinces where the sugarcane industry had not started had to start afresh. If protection were brought down to the limit which is required for the price fixed by the Government for sugar sales, I think this

condition would end. It would forward our case in this respect that we will not after the war or even during the war be faced with further expansions. The usual reply of the Central Government is that industry being a subject of provincial legislation they have no method at their hand to intervene and help the industry by legislation. I beg to differ from this diagnosis. *My own view is that it is possible for the centre to legislate by means of having differential excise duties.* You can impose a duty which would apply to only recognized firms, I mean those which are already established, and for every expansion that is made, they must get the permission of the Central Government. If they do it without the permission of the Central Government, whether expansion of industry or the opening of a new industry, you can levy penal duty by doubling the excise duty. That would be a method which would be quite constitutional and effective. The doubling of excise duty on unauthorized manufacture would at once end this menace. As it is the capacity of Indian plants is in excess of consumption. Provinces being autonomous, you cannot dictate to them what prices they will fix for the cane-growers but the basic price for protection is fixed by the centre. Incidentally, Sir, I might remark that this leads to evasion of income-tax too. I have known of big sugar manufacturing firms who take shelter behind the prices fixed by the provinces of Bihar and the United Provinces, and fix the prices of sugarcane grown in their own farm at a high level. Thereby they show that they are not making much profit in manufacture. The profit from farm, and that being an agricultural income, escapes income-tax. Well, that is the trouble in which the Commerce Department lands the Finance Department. As a matter of fact, if equity were to prevail such evasion should have been ended, because it is quite apparent on the face of it that if the farm had not belonged to the firm they would not have manufactured sugar at a loss or at a very small margin of profit. But these are the ways of evasion. I do not know the truth, but I was told that Rs. 25 lakhs of income of a very big and a very well known firm alone escaped assessment on this account. Sir, the present position is that we agriculturists are face to face with sugarcane standing in our fields which finds no buyer. They have to be burnt or destroyed in some other way. I am told, Sir, that three lakhs of tons have already been destroyed in this way. Sugarcane is an expensive crop to grow. The agriculturists have not very big resources. If even now when the Governor General is ultimately responsible for the administration of seven provinces out of which the United Provinces and Bihar are the major provinces concerned where the Government is under the Governor acting in his discretion—if now it is not possible for the Central Government to intervene and bring about a settlement which would not put these agriculturists in difficulties, I wonder when the time is going to come for their doing so. I personally believe, Sir, that next year, I mean the year 1941-42, the industry will have to face a different kind of trouble. There will be too little sugarcane available in the market because once bitten twice shy. People are not going to grow sugarcane when the prospects are so dark and when the price is so low. Once the price was as high as 10 annas, and now you have got it down to less than 4 annas. Is this possible in any country which has got a planned system? This industry is a new industry started only by means of protection, and it has received a full protection period—a very extended protection period, and it was able to stand on its legs had not the Congress Governments intervened and queered the pitch for the sugarcane growers and sugar manufacturers. I appeal to the Government that this year should not be wasted in waiting for the war to end so that when normal conditions return they could embark on investigation. This year should be spent in finding out the ways and means of checking these two things—uneconomic expansion and uneconomic prices for the sugarcane growers. A

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system of restriction in sugarcane growing as they have introduced in Bengal for jute might be considered in these two provinces of Bihar and the United Provinces. If I talk of Bihar and the United Provinces, it is because 75 per cent. of the sugar is manufactured in these two provinces. The United Provinces has the lion's share but we are not by any means a bad second.

Sir, I would end by saying that although we do not oppose this measure, we do feel that the Government's policy is not correct. They should be up and doing.

THE HONOURABLE SIR ALAN LLOYD: Sir, I have listened with the greatest interest to the Honourable Member's speech and if I assure him that we will take the most careful note of all that he has said on the more general aspects of the problems that now face the sugar industry and the sugar cultivator, I am sure that he will forgive me if I confine my remarks at this stage to what he said that had a direct bearing upon the rate of the protective duty. He made the suggestion which has been made by other responsible people that the duty was now too high and that really that is not to the interest of the cultivator. He has not seriously objected to the measure now before the House which he described as shelving the problem; but he expressed the hope that we should not continue to shelve the problem after the time had come when it became possible for further importations of sugar-making machinery to be made so that the existing state of over-expansion of the industry might be made still worse. I can assure the Honourable Member that we propose during this year for which we have asked the duty to be extended to proceed with our inquiries into the possibility of coming to some definite conclusions as to what is in present conditions the appropriate rate of import duty. It is not altogether due to the war that we have got into the present rather uncertain position. As I said before, the major consideration was the curious past history of the matter which the Honourable Member has described in some detail and it is not the case that we propose to wait till the end of the year before we look into the problem again.

With these remarks, Sir, I welcome the Honourable Member's statement that he does not oppose the Bill, and I repeat my assurance that, amongst other matters, the suggestion that he has made—and it has been made by other responsible parties who are concerned with the sugar industry—that the duty is at present too high will receive full consideration.

THE HONOURABLE THE PRESIDENT: Motion moved:—

"That the Bill to extend the date up to which certain duties characterized as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect, as passed by the Legislative Assembly, 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 SIR ALAN LLOYD: Sir, I move:—

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

INDIAN TARIFF (AMENDMENT) BILL.

THE HONOURABLE SIR ALAN LLOYD (Commerce Secretary): Sir, I move:—

"That the Bill further to amend the Indian Tariff Act, 1934, as passed by the Legislative Assembly, be taken into consideration."

This again is another measure by which we propose to mark time on the question of the maintenance of the protective duty in so far as the determination of a proper rate is concerned. We are not at the moment faced with active competition from overseas in the Indian wheat market, but we feel that if the existing duty were removed, there might be some danger that such competition would develop with fateful results to the wheat-growing industry. An important point to bear in mind in this connection is that India has all the wheat that it can reasonably require of its own production. So, the question really is one of price. It is, in these circumstances, that we ask for the maintenance of the existing duty on wheat for one more year.

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 SIR ALAN LLOYD: Sir, I move:—

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

TYRES (EXCISE DUTY) BILL.

THE HONOURABLE MR. C. E. JONES (Finance Secretary): Sir, I move:—

"That the Bill to provide for the imposition and collection of an excise duty on tyres, as passed by the Legislative Assembly, be taken into consideration."

Sir, this Bill covers that portion of the Budget proposals which for technical reasons could not be embodied in the Indian Finance Bill and required a special Act. The Bill provides for the levy of a duty of central excise on pneumatic rubber tyres and tubes at 10 per cent. *ad valorem* as a revenue measure. Our income from customs duties on imported tyres and tubes was substantial and was expanding, and the growth of the indigenous industry naturally eats into that revenue to an increasing extent. It is, therefore, I submit, only reasonable that we should recover by way of excise some part of the loss of revenue which would otherwise accrue to us from customs duty, especially at a time like the present when, as the Budget speech indicated, our need for revenue is so pressing. The indigenously manufactured tyres and tubes will still enjoy at existing rates a margin or advantage to the extent of 15 per cent. in the revenue duty as compared with the imported articles. It is the intention of Government, if found administratively practicable, to grant exemption from the excise duty in the case of rubber tyres for animal drawn vehicles.

[Mr. C. E. Jones.]

I think, Sir, that is all I need say on this Bill, as it is a simple and self-contained measure which, I hope, the House will favourably consider.

Sir, I move.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : May I ask a question, Sir ? What was the amount of customs duty collected on tyres in former years and what is the estimated amount of excise duty to be collected ?

THE HONOURABLE MR. C. E. JONES : I am afraid I have not got the actual figures with me, but the general facts of the situation are clear.

THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, this involves two questions about which I wish to say a few words. Firstly, Sir, it is part of the financial measures which have been brought forward to finance the war, and as such, it could have no other treatment from us than that of the Finance Bill. Secondly, Sir, I welcome the fact that Government have realized that a differential treatment should be meted out to industries established in India which are only Indian in name. This is one of the perfect examples where protection is taken advantage of by foreign interests to establish an industry in India in which Indians are not interested except as labourers.

A third departure which is notable is that all financial measures used to be subject to realization of duty from the date of their announcement. This has been made an exception. There have been other instances when we had asked that new impositions should not be effected from the date of their announcement but that a sufficient margin should be left to the people to clear off stocks. But whenever it was a question of Indian benefit it was turned down, but only when it is a question of Dunlops, which is an English firm, or of Goodyears, which is an American firm, I find that different treatment has been meted out. If the circumstances had been otherwise we would have welcomed it, Sir, as placing our case for differential treatment between indigenous industry and *quasi* and *pseudo*-Indian industries a step forward. But circumstanced as we are I do not think we can give our support to this measure.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I should like to explain the attitude of our Party also in regard to this Bill. The Bill is really part of the Finance Bill. We cannot differentiate it from the other parts of the Finance Bill. We adopted a certain attitude towards the Finance Bill yesterday and we do not regret that attitude. We think that in the circumstances in which we find ourselves in this country and having regard to the constitutional position, we cannot share the responsibility with a Government which is not prepared to share power with us. Therefore, Sir, we have no option but to oppose this Bill. I do not go into the merits. The merits of this Bill may be right or wrong. They do not interest us. Our attitude is one of hostility to this Bill on broader constitutional and political grounds which were explained at length by me and other friends of the Progressive Party.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar : Non-Muhammadan) : May I just ask one question ? What are the firms in India that are manufacturing tyres ?

THE HONOURABLE MR. C. E. JONES : My information, Sir, is that the names of manufacturing companies are the Dunlop Rubber Co. (India), Ltd., the Goodyear Tyre and Rubber Co. (India), Ltd., the Firestone Rubber Co., Ltd., and the Indian Tyre and Rubber Co. (India), Ltd. They are the four firms who are manufacturing tyres and tubes in British India according to my information.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay : Non-Muhammadan) : Are they public companies or private limited companies, and if public companies how are their shares distributed proportionately between Indians and Europeans ?

THE HONOURABLE MR. C. E. JONES : I do not know the constitution of these particular companies, Sir. I would state, and emphatically state, that the Government are not interested in such matters, since the duty which is sought to be imposed is a revenue duty and a revenue duty only, the duty which is imposed on imported tyres and tubes is a revenue duty, and no question of protection now arises. In the fixation of revenue duties the Honourable the Finance Member holds himself free to fix those duties at the rates which he considers best in the interests of the public revenues.

THE HONOURABLE THE PRESIDENT : Motion moved :—

"That the Bill to provide for the imposition and collection of an excise duty on tyres, as passed by the Legislative Assembly, be taken into consideration."

Question put : the Council divided :—

AYES—24.

Askuran, Hon. Mr. Shantidas.
Ataullah Khan Tarar, Hon. Chaudhri.
Charanjit Singh, Hon. Raja.
Chinoy, Hon. Sir Rahimtoola.
Conran-Smith, Hon. Mr. E.
Devadoss, Hon. Sir David.
Ghosal, Hon. Sir Josna.
Govindachari, Hon. Rao Bahadur K.
Haidar, Hon. Khan Bahadur Shams-ud-Din.
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.
Niamatullah, Hon. Chaudhri.
Parker, Hon. Mr. R. H.
Patro, Hon. Sir A. P.
Prior, Hon. Mr. H. C.
Richardson, Hon. Mr. J. H. S.
Roy, Hon. Mr. S. N.
Williams, Hon. Mr. A. de C.
Wilson, Hon. Mr. I.

NOES—8.

Dalal, Hon. Mr. M. N.
Das, Hon. Mr. N. K.
Hossain Imam, Hon. Mr.
Kunzru, Hon. Pandit Hirday Nath.

Mahtha, Hon. Rai Bahadur Sri Narair.
Mitha, Hon. Sir Suleman Cassum Haji.
Sapru, Hon. Mr. P. N.
Sinha, Hon. Kumar Nripendra Narayan.

The Motion was adopted.

Clauses 2 to 5 were added to the Bill.

Clauses 6 to 8 were 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.

EXCESS PROFITS TAX (AMENDMENT) BILL.

THE HONOURABLE MR. C. E. JONES (Finance Secretary) : Sir, I move :—

“ That the Bill further to amend the Excess Profits Tax Act, 1940, as passed by the Legislative Assembly, be taken into consideration.”

This Bill, Sir, which unlike its predecessor is not in effect a part of the Finance Bill, though technical and rather formidable in appearance, is in essence simple in character and I think likely to be non-controversial. Honourable Members will remember that the Excess Profits Tax Act of 1940 was limited in operation to the period of 19 months commencing with the 1st of September, 1939 and ending on the 31st of March, 1941 and provided for a rate of tax of 50 per cent. The Finance Bill of 1941 provides for the levy of excess profits tax for a further period of one year ending 31st of March, 1942 and fixes the rate for that year at 66½ per cent. The variation in the rate of excess profits tax is responsible for the two main provisions in this present Bill. In the first place, there is the obvious practical difficulty which arises when an accounting period does not coincide with a financial year but falls partly within a year when the lower rate of tax operates and partly in a year when the higher rate applies. The Bill provides the simple, equitable and easily workable solution that the computation of the excess or deficiency shall be made for the whole period and then apportioned on a time basis between the two portions of the period ending and commencing respectively with the end of March, 1941. In the case of an excess the first part will be charged at 50 per cent. and the latter part at 66½ per cent. To treat the two portions as separate chargeable accounting periods would have necessitated a separate capital computation for each such period which would be an altogether unnecessary complication. To give a practical example, if a company whose accounting period is the calendar year 1941 shows an excess for that period as a whole chargeable to excess profits tax, one-quarter of the excess will be charged at 50 per cent. and three-quarters at 66½ per cent.

The second main provision is designed in the interests of assesseees by giving an assessee who suffers a deficiency in a period after the 31st March, 1941, that is when the higher rate of tax is in force, a claim to set off that deficiency against an excess appearing in a period after that date even though it might have already been allowed as a set off against an excess occurring in a period prior to the 31st March, 1941 when the lower rate applied. Provision is therefore included for the cancellation of the previous set off in such cases. This arrangement is thus obviously in favour of assesseees, but the concession is justified on considerations of equity.

Opportunity is also taken in the Bill to effect two minor drafting amendments, while clause 6 corrects an inadvertent omission from the first proviso to rule 1 of the First Schedule due to the overlooking of the fact that interest paid to partners of a firm by the firm should be included in the firm's profits. The Bill remedies this omission.

Sir, I move.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Sir, the attitude of my Party towards this Bill will be the same as it was towards the last Bill. We are not against the taxation of war profits, but the constitutional differences between us and Government compel us to oppose every measure placed before this House to get money for the discharge of what they regard as their duties.

THE HONOURABLE MR. C. E. JONES : May I explain that this Bill is not intended to get money at all.

THE HONOURABLE THE PRESIDENT : You have already said that.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : After all, Sir, it is designed to give effect to the policy of Government. I have listened to the speech of the Finance Secretary, but I do not see how it vitiates the conclusion to which my Party has arrived. I do not want, Sir, to dwell again on the considerations which were clearly pointed out by us during the debate on the Finance Bill, but I would venture to point out once again that the refusal of the Government to accord to us our just constitutional rights leaves us with no alternative but to oppose this Motion.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar : Non-Muhammadan) : Mr. President, the attitude of our Party has been explained by Dr. Kunzru, but I have to bring to the notice of Government one fact with regard to the actual working of the Act which is within my knowledge—the way in which Income-tax Officers work in connection with getting returns from persons who are ultimately to be charged with excess profits tax. My experience is that a large number of persons have been asked to submit Returns in whose cases there was absolutely no chance of their ever coming within the scope of this Act. I have known of persons whose normal income is not Rs. 10,000 or even Rs. 5,000 having been asked to submit returns under this Act. I have personally had occasion to tell some officers in my province : “ You have uselessly asked a large number of persons to submit Returns under the Excess Profits Tax Act and that has led to considerable harassment.” What I suggest is that Government should see their way to ask these officers to use their discretion or judgment in a better way so as not to harass people who are not likely to come under the scope of the Excess Profits Tax Act.

THE HONOURABLE MR. C. E. JONES : The policy of the Government in the administration of the excess profits tax, Sir, is to administer the law efficiently and sympathetically, and they have given an undertaking to do that. It is obviously not possible for me to comment on the charge that has just been made because I have no personal information of any such cases. But I am sure that the senior officers who are administering this tax will look into any case that is brought to their notice, and see that unnecessary harassment, if it has been caused, is avoided. I submit, however, Sir, that that question is not really relevant to the purpose of this Bill, and I request that this House grant sanction for taking the Bill into consideration.

THE HONOURABLE THE PRESIDENT : Motion moved :—

“ That the Bill further to amend the Excess Profits Tax Act, 1940, as passed by the Legislative Assembly, be taken into consideration.”

Question put and Motion adopted.

Clauses 2 to 6 were 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 Wednesday, the 2nd April, 1941.

COUNCIL OF STATE

Wednesday, 2nd April, 1941.

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.

MR. PODGER, GOVERNMENT MICA INSPECTOR.

152. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA.
(a) Was Mr. Podger's appointment made in consultation with representatives of the Bihar mica industry? If not, why not?

(b) Was Mr. Podger transferred to Calcutta during November, 1940, to assist the Geological Survey of India in the purchases of mica on behalf of the American Government? If so, was the Bihar mica industry consulted in the matter? If not, why not?

THE HONOURABLE MR. A. DEC. WILLIAMS: (a) Yes.

(b) Yes. The Industry was not consulted as Government had urgently to make the best arrangements possible, and it is in any case questionable whether consultation with the Industry was necessary or even desirable.

SALE OF BUNGALOWS IN POONA CANTONMENT.

153. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Is the sanction of Government required for the sale of bungalows in the Poona Cantonment? If so, under what law?

(b) Is any agreement regarding the tenure of land known as “Admission Certificate” taken from the purchasers? If so, does it often contain more conditions than those mentioned in the G. G. O. under which the grants of land in question have been made? If so, under what law?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): With your permission, Sir, I will answer questions Nos. 153 and 154 together.

I am collecting the information and will lay it on the table in due course.

MORTGAGE OF PROPERTY IN POONA CANTONMENT.

154. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Is the sanction of Government required for the mortgage of a property in the Poona Cantonment? If so, under what law?

(b) Is any sanction required in cases of transfers by executors to legatees and in cases of partition of family estates? If so, under what law?

(c) Are admission certificates required also in cases (a) and (b)? If so, under what law? Do they also often contain conditions in excess of those contained in the appropriate Government General Order under which the sites have been granted? If so, what steps do Government propose to take to remedy the injustice?

(See reply to question No. 153.)

RECRUITMENT TO THE UPPER GRADES ON THE B. N. R.

155. THE HONOURABLE MR. N. K. DAS: Will Government say on what basis appointments to upper grades in the B. N. R. are made? Are they made on territorial basis?

THE HONOURABLE MR. L. WILSON: Recruitment is generally made on the basis of merit, subject to the observance of orders regarding communal representation.

THE HONOURABLE MR. HOSSAIN IMAM: The question was whether recruitment was on territorial basis. The Honourable Member has not replied to that. Is it made on a territorial basis or on an all-India basis?

THE HONOURABLE MR. L. WILSON: Recruitment is made on the basis of merit.

THE HONOURABLE MR. HOSSAIN IMAM: Is the selection on territorial basis or all-India basis? That is the last part of the question, Sir.

THE HONOURABLE MR. L. WILSON: It is not on territorial basis.

COMPETITIVE EXAMINATION FOR RECRUITMENT TO THE UPPER GRADES ON STATE-MANAGED RAILWAYS.

156. THE HONOURABLE MR. N. K. DAS: (a) Will Government say whether they propose to introduce competitive examinations to fill in posts in the upper grades of services in all State-managed railways?

(b) If so, when? If not, why not?

THE HONOURABLE MR. L. WILSON: (a) No.

(b) Competitive examinations are not considered suitable for the purpose of making such promotions.

THE HONOURABLE MR. N. K. DAS: May I ask, Sir, why they are not considered suitable?

(No answer given.)

HARDSHIPS CAUSED BY THE WORKING OF THE MOTOR VEHICLES ACT, 1939, IN PROVINCES.

157. THE HONOURABLE MR. N. K. DAS: (a) Will Government say what has prevented them from making inquiries as to the working of the several new sections of the Motor Vehicles Act, 1939, in the provinces?

(b) Are Government aware that great hardships are experienced by motor transport owners in the provinces as a result of the operations of the sections of restriction in the Motor Vehicles Act? If not, do Government propose to inquire into the matter? If not, why not?

THE HONOURABLE MR. S. N. ROY: The attention of the Honourable Member is invited to the replies given to his question No. 117 and supplementaries thereon on the 24th March, 1941.

THE HONOURABLE MR. N. K. DAS: The first part of the question asks what has prevented Government from making inquiries. That was not asked on the last occasion.

THE HONOURABLE MR. S. N. ROY: In the supplementaries to which I referred I said this is a matter which falls within the provincial field, and while legislation falls in the concurrent list, all executive action under the Act must be taken by the Provincial Governments.

THE HONOURABLE MR. HOSSAIN IMAM: In view of the fact that the provinces have no legislatures, could not the Government intervene and get the information?

THE HONOURABLE SIR DAVID DEVADOSS: They can have Ordinances.

PROHIBITION OF THE USE OF HEADLIGHTS OF MOTOR CARS IN BOMBAY AND CALCUTTA.

158. THE HONOURABLE MR. ABDOL RAZAK HAJEE ABDOL SUTTAR: (a) Are Government aware that at the time of driving motor cars the keeping of headlights on is prohibited in Calcutta and Bombay?

(b) Are there any restrictions referred to in (a) above in force in the Province of Delhi?

(c) Are Government aware that the drivers of conveyances coming from the opposite direction of the motor cars which at the time of driving keep their headlights on are blinded by the rays of the light and accidents occur on this account?

(d) Do Government propose to take any steps to prevent the keeping of headlights on by motorists in the Province of Delhi? If not, why not?

THE HONOURABLE MR. S. N. ROY: (a) The rules both in Bombay and Calcutta require that the driver of a motor vehicle shall at all times so manipulate the lights that danger or undue inconvenience is not caused to any person by dazzle, but power is given to the Commissioners of Police to prohibit the use, within such areas or places as may be specified, of lamps giving a powerful or intense light. Government have no information as to the precise orders that have been issued by the Commissioners of Police, but it is understood that at Bombay the use of headlights unless suitably screened has been prohibited as a part of war lighting regulations.

(b) The rules in Delhi are precisely the same as those in Bombay and Calcutta except that the power given to the Commissioner of Police in those places is given to the District Magistrate in Delhi.

(c) Government are aware that there are drivers everywhere who do not manipulate the headlights as required by the rules quoted in reply to (a).

(d) If the Honourable Member is suggesting that the use of headlights should be totally prohibited, the answer is in the negative because the use of headlights at night is essential to safety except in streets which are very well lighted.

SUPPLY OF DRINKING WATER TO WORKMEN OF THE CARRIAGE AND WAGON SHOPS, LILLOOAH, E. I. R.

159. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Are there no watermen in the E. I. R. Carriage and Wagon Workshops at Lillooah, which employ about 5,000 workmen to supply the workmen with drinking water?

(b) Is there no arrangement in these shops for supplying cool drinking water and do the workmen drink the water from the overhead tanks the water of which is too hot even to be touched during the summer months?

(c) Is drinking water kept in pitchers in the Jamalpur shops and are there regular watermen to supply it to all who need it? If so, why have not the same arrangements been made in the Lillooah workshops?

THE HONOURABLE MR. L. WILSON: With your permission, Sir, I shall reply to questions Nos. 159 and 160 together. I have called for information and a reply will be laid on the table of the House in due course.

SUPPLY OF WATERPROOF COVERINGS TO WORKMEN OF THE CARRIAGE AND WAGON SHOPS, LILLOOAH, E. I. R.

160. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Do a number of workmen in the repair shops in the Carriage and Wagon Workshops at Lillooah always work in the open and are they provided with no shelter whatever during the rains? Are the men provided with waterproof coverings? If not, why not? What do Government propose to do now in the matter?

(b) Has no arrangement been made in these shops to enable workmen to get their applications, appeals, explanations written and whenever they have to submit anything in writing, do they pay as much as four annas to some clerk or other? Are the necessary facilities provided in the other shops? If so, why are not the same facilities allowed to workmen in the Lillooah shops?

(See reply to question No. 159.)

TENDERS FOR THE CONSTRUCTION OF RUNWAYS AT CERTAIN AERODROMES.

161. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Did Government invite tenders for the construction of runways in the Allahabad, Cawnpore, Lahore and Jacobabad aerodromes? If so, has the lowest tender been accepted? If not, why not? What is the difference between the lowest tender and the accepted tender?

(b) Have the contracts for all the four runways been given to the same person? If so, what was the advantage in doing so?

THE HONOURABLE MR. H. C. PRIOR: (a) Tenders were invited for the construction of runways at the Allahabad, Cawnpore, Lahore and Jacobabad aerodromes. The lowest tenders were accepted in the case of Allahabad and Cawnpore. The second lowest tender was accepted for the Jacobabad aerodrome. The difference between the accepted and the lowest tender was

Rs. 1,500 about 1½ per cent. In the case of the Lahore aerodrome, the fourth lowest tender was accepted. The difference between this tender and the lowest amounted to Rs. 9,914 about 6 per cent. It is not in the public interest to disclose the reasons for not accepting the lowest tenders in these two instances. I have however satisfied myself that the reasons were good and sufficient.

(b) Yes. The same person happened to be the lowest tenderer for the works at Allahabad and Cawnpore and he was considered to be the most suitable person to carry out the works at Lahore and Jacobabad for reasons which, as already stated, are of a confidential nature.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Were the other persons who tendered not men of experience or substance?

THE HONOURABLE MR. H. C. PRIOR: I think it is going behind my answer.

THE HONOURABLE MR. HOSSAIN IMAM: What was the name of the tenderer to whom the contracts were given?

THE HONOURABLE MR. H. C. PRIOR: I have it here but it is in a sealed envelope and I cannot say at once. I must ask for notice of that question, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: If Government did not intend to accept the lowest tender, why did not they ask only those firms which they regarded as reliable to tender?

THE HONOURABLE MR. H. C. PRIOR: It is not the custom to ask for tenders only from reliable firms.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: If Government had in view only particular contractors, what was the good of the open tender system?

THE HONOURABLE MR. H. C. PRIOR: It would be invidious of Government at the time of calling for tenders to determine whether any particular contractor is reliable or not.

THE HONOURABLE MR. HOSSAIN IMAM: Was it a restricted tender or an open tender?

THE HONOURABLE MR. H. C. PRIOR: Open tender.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Was the person to whom the contract was given a man who had experience in this line?

THE HONOURABLE MR. H. C. PRIOR: Yes, Sir, I think he was.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I am asking whether he had constructed runways before.

THE HONOURABLE MR. H. C. PRIOR: Not necessarily the same class of work, but similar types of work.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Could the Honourable Member give an illustration of that ?

THE HONOURABLE MR. H. C. PRIOR : I ask for notice of that question, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : The Honourable Member says he has done similar kind of work. Does he want notice to give an illustration of the kind of work that he has done ? On what basis did he make this assertion ?

THE HONOURABLE THE PRESIDENT : He has asked for notice and he is entitled to do so.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : He makes a statement without being sure of his facts.

THE HONOURABLE THE PRESIDENT : That is his lookout.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : We have a right to request you, as the guardian of the rights of the Members of this House, to see that answers are not given without adequate facts to support them.

THE HONOURABLE THE PRESIDENT : Order, order.

TENDERS FOR THE CONSTRUCTION OF RUNWAYS AT CERTAIN AERODROMES.

162. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Are contractors usually required to state in their tenders what material they propose to use for tarring roads or for any other work of this type ?

(b) Did the Consulting Engineer to the Government of India direct the use of the Burma Shell product (Spray Mix.) in the construction of the runways ? Is it a fact that equally good substances belonging to other companies could have been used ?

THE HONOURABLE MR. H. C. PRIOR : (a) Yes.

(b) No. In one case the use of shellmac was inadvertently specified but this instruction was withdrawn and tenderers were informed before the receipt of tenders that they were at liberty to include other materials in their quotations.

INDIAN WARRANT OFFICERS, CLASS II.

* 163. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) What is the starting salary of Indian warrant officers, class II, in the Ordnance Services ? Is it a fact that a good proportion of those recently appointed has received University education ?

(b) What is the salary given to British soldiers selected to do the same work as is done by Indian warrant officers, class II ?

(c) Are British warrant officers given preference over Indian warrant officers when the question of promotion arises and are Indian warrant officers considered junior even though they may have put in double the service that the British warrant officers have put in ?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief) : (a) The starting salary of an Indian warrant officer, class II (Stores) in the Indian Army Ordnance Corps, is Rs. 60 per mensem, excluding allowances and the value of services in kind.

Of 70 Indian warrant officers, class II, appointed during 1940-41, eight have University degrees.

(b) British soldiers appointed to the Indian Army Ordnance Corps are paid as Paid/Acting Sergeant at Rs. 166-4-0 per mensem, excluding allowances and the value of services in kind.

(c) No, Sir. British other ranks and Indian other ranks are borne on separate rolls and the promotion of one in no way affects the promotion of the other.

It is not a fact that Indian warrant officers are always considered junior.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : May I ask whether there are higher posts separately set aside for the promotion of Indian warrant officers and British warrant officers ?

THE HONOURABLE MR. A. DEC. WILLIAMS : I do not quite follow the question. Does the Honourable Member wish to know whether certain posts are reserved for Indian and certain posts for British warrant officers ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : That is to say, for the purposes of promotion.

THE HONOURABLE MR. A. DEC. WILLIAMS : It is not the case, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Then what is the ground for the statement made by the Honourable Member that the promotion of men of one class is not affected by the promotion of men of another class ?

THE HONOURABLE MR. A. DEC. WILLIAMS : It is possible to maintain two separate cadres without specially reserving posts for any particular cadre.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But in these Ordnance factories, as the number of superior posts is limited, how is selection made to fill them ?

THE HONOURABLE MR. A. DEC. WILLIAMS : By merit, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : That is both British and Indian officers are considered together ?

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

THE HONOURABLE MR. HOSSAIN IMAM : May we take it that seniority does not count for anything in promotion ?

THE HONOURABLE MR. A. DEC. WILLIAMS : I would like to know what the Honourable Member means by seniority.

THE HONOURABLE MR. HOSSAIN IMAM : May I explain, Sir. If a man is 10 years in service, if his service in the army is included with his service here, and the new entrant is an Indian who has no army service, then necessarily the European is senior to him and he gets the promotion.

THE HONOURABLE MR. A. DEC. WILLIAMS: I have already said that the appointment is made on merit without regard for seniority.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I want to know whether length of service is regarded as a qualification when the claims of Indian and British warrant officers are considered for promotion to these higher posts which are common to both the cadres?

THE HONOURABLE MR. A. DEC. WILLIAMS: Sir, I will not go to the length of saying that it is not a consideration, but it is not a determining factor.

THE HONOURABLE MR. HOSSAIN IMAM: May I know if any Indian has been promoted up till now?

THE HONOURABLE MR. A. DEC. WILLIAMS: I shall require notice of that question, Sir.

THE HONOURABLE MR. HOSSAIN IMAM: On what does the Honourable Member base his statement that there is no bar or differentiation?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is it a fact that senior Indian warrant officers have been allowed to be passed over by junior British warrant officers in the matter of selection for the higher posts of which I have just spoken?

THE HONOURABLE MR. A. DEC. WILLIAMS: When, as I have already said, Sir, the determining factor is merit, such things are bound to happen sometimes.

EMERGENCY COMMISSIONS FOR INDIAN WARRANT OFFICERS, CLASS II.

164. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Are Indian warrant officers, class II, in the Ordnance Services not allowed to apply for permanent or emergency commissions? If so, do Government propose to consider the desirability of freeing them from this disability?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): All serving soldiers with requisite qualifications are permitted to apply for Emergency Commissions and this includes Indian warrant officers, class II of the Indian Army Service Corps, but so far it has not been possible to release any of this category. No permanent commissions are given during the war.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Have Government any steps under contemplation to release the men who apply for emergency commissions?

THE HONOURABLE MR. A. DEC. WILLIAMS: Well, Sir, it entirely depends where they are most valuable.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Do Government propose to increase the emoluments of the people whom they do not release in order to take up a more important appointment?

THE HONOURABLE THE PRESIDENT: Does this question arise out of the reply?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Yes, Sir.

THE HONOURABLE MR. HOSSAIN IMAM: The point was, if they are not permitted to get an emergency commission, how they are treated?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: He has not answered my question.

THE HONOURABLE THE PRESIDENT: He need not if he does not wish to answer.

THE HONOURABLE MR. A. DEC. WILLIAMS: I did not hear the question, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I repeat my question, Sir. Have Government under contemplation any proposals for releasing the men who are selected for emergency commissions?

THE HONOURABLE MR. A. DEC. WILLIAMS: I have already said that it is the intention of Government either to keep them where they are or to release them, according as it is most advantageous to the State.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Do they propose to increase the emoluments of those people whom they do not release to take up the higher posts?

THE HONOURABLE MR. A. DEC. WILLIAMS: No, Sir.

SPECIAL GRADE APPRENTICES IN THE JAMALPUR WORKSHOPS.

165. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Were some Indian graduates recruited as special grade apprentices in the Jamalpur workshops up to 1923 with a view to their appointment to posts in the Superior Revenue Establishment of the State Railways? If so, will Government state how many such apprentices were taken and how many have been provided for on completion of their training and in what capacity? Have any of them been appointed to superior posts? If not, why not?

(b) Were first class apprentices recruited at the same time required to be matriculates only and were they paid much smaller allowances?

(c) What are the educational qualifications required of the special grade apprentices now recruited through the Federal Public Service Commission? Are they inferior to those required of the special grade apprentices recruited up to 1923?

THE HONOURABLE MR. L. WILSON: With your permission, Sir, I propose to reply to questions 165 and 166 together. I have called for information and a reply will be laid on the table of the House in due course.

SPECIAL GRADE APPRENTICES IN THE JAMALPUR WORKSHOPS.

166. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Are all the special grade apprentices referred to in the preceding question working in the shops merely as chargemen like the first grade apprentices though they received much higher training than the first grade apprentices?

(b) Do Government propose to consider the cases of these men sympathetically and to absorb them in the superior grades as originally contemplated?

(See reply to question No. 165.)

MILITARY TRAINING FOR INDIAN EMPLOYEES OF THE JAMALPUR WORKSHOPS.

167. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Are Government aware that some of the literate Indian employees of the Jamalpur Workshop have been trying to get military training since 1922, but have met with no success so far?

(b) Was a joint petition sent by them to the General Manager, E. I. R., in 1938 requesting him to arrange for their military training at Jamalpur in accordance with the arrangements already existing for the training of Anglo-Indian and European employees?

(c) As a result of the joint petition did the General Manager issue a notification allowing them to join the Territorial Force at Dinapore?

(d) Have the authorities at Jamalpur nevertheless not given them the necessary facilities to enable them to join the Territorial Force at Dinapore, or made any arrangements for their training at Jamalpur?

(e) Do Government propose to take necessary steps to enable the literate Indian staff of the Jamalpur Workshop to receive military training?

THE HONOURABLE MR. L. WILSON : (a) Government have no information of any such efforts before 1938.

(b) Yes.

(c) Yes, provided the number was limited to those who could be spared for training without inconvenience to the administration.

(d) No, as the men could not conveniently be released, nor could arrangements be made at Jamalpur.

(e) No.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Do I understand the Chief Commissioner for Railways to say that Government do not even propose to take steps to enable the literate Indian staff of the Jamalpur Workshops to receive military training? Have they any objection to it?

THE HONOURABLE MR. L. WILSON : At Dinapore, they do not propose to enable them to take military training. The only reason for this is that the Jamalpur Workshops are engaged on war work and it is considered that the men cannot be spared at the present time from this work to visit Dinapore for military training.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What happens in the case of the British workers there? Are they given opportunities of receiving military training or not?

THE HONOURABLE MR. L. WILSON : I require notice of that question, Sir.

THE HONOURABLE MR. HOSSAIN IMAM : That arises out of the question because if there is a differentiation in the treatment of the two, he must mention the reason for this differentiation.

THE HONOURABLE MR. L. WILSON : I require notice of that question, Sir.

INDIAN CIVIL SERVICE.

168. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state whether the Provincial Governments have the power to suspend and to take legal action against the officers in the I.C.S.?

THE HONOURABLE MR. E. CONRAN-SMITH : It is presumed that by the power to take legal action the Honourable Member means the power to impose any of the penalties mentioned in rule 49 of the Civil Services (Classification, Control and Appeal) Rules. If so, I may state that the Provincial Governments are competent to impose the following penalties mentioned in that rule on members of the Indian Civil Service serving under them :—

(i) Censure.

(ii) Withholding of increments or promotion, including stoppage at an efficiency bar.

(iii) Reduction to a lower post or time-scale, or to a lower stage in a time-scale.

(iv) Recovery from pay of the whole or part of any pecuniary loss caused to Government by negligence or breach of orders.

(v) Suspension.

THE HONOURABLE MR. HOSSAIN IMAM : Do I take it, Sir, that they do not have to take the Secretary of State's permission for suspending officers?

THE HONOURABLE MR. E. CONRAN-SMITH : The Honourable Member is correct in his assumption.

THE HONOURABLE MR. HOSSAIN IMAM : What about the legal action which I mention in the past part? Can they take legal action in courts of law?

THE HONOURABLE MR. E. CONRAN-SMITH : I have already explained that we were not clear what the Honourable Member meant by legal action, but if he means the institution of criminal proceedings I would refer him to section 270 of the Government of India Act, 1935.

PROVINCIAL ADVISORY COMMITTEES FOR WAR SUPPLIES.

169. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state the names of members of the different advisory committees of the six provincial war supplies?

THE HONOURABLE MR. A. DEC. WILLIAMS : I place on the table a list giving the necessary information.

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COUNCIL OF STATE

[2ND APRIL, 1941]

List showing the names of the members of the six Provincial Advisory Committees for War Supplies set up in Bengal, Madras, Sind, Bombay, U. P. and Punjab.

Provincial Advisory Committee for War Supplies, Bengal.

Chairman . . .	E. N. Blandy, Esqr., C.S.I., C.I.E., I.C.S.
Vice-Chairman . . .	G. B. Morton, Esqr.
Members . . .	1. W. A. M. Walker, Esqr., 2. M. A. Ispahani, Esqr., 3. D. P. Khaitan, Esqr., 4. N. R. Sarkar, Esqr., 5. K. A. Hamilton, Esqr., 6. E. B. Pratt, Esqr., 7. A. K. G. Hogg, Esqr., 8. M. K. Kirpalani, Esqr., I.C.S., 9. S. Solomon, Esqr., I.C.S., 10. V. K. B. Pillair, Esqr., I.C.S., 11. S. L. Mehta, Esqr., I.C.S., 12. Dewan Bahadur R. Subayya Naidu.
Secretary . . .	Lt.-Col. J. R. Marriott, Controller of Supplies, Bengal Circle.

Provincial Advisory Committee for War Supplies, Madras.

Chairman . . .	H. M. Hood, Esqr., C.S.I., C.I.E., I.C.S.
Vice-Chairman . . .	M. A. Sreenivasan, Esqr., Controller of Supplies, Madras.
Members . . .	1. Sri Rao Bahadur C. P. Karunakara Menon., 2. L. B. Green, Esqr., 3. Rao Sahib T. S. Kachapikesa Mudaliar, 4. Sri C. Ranganayakulu Chetty, 5. R. D. Denniston, Esqr., 6. J. Nuttall, Esqr., 7. C. G. W. Gordon, Esqr., 8. A. T. Luker, Esqr., 9. J. M. Smith, Esqr., 10. M. Nazir Hussain, Esqr., 11. M. Venkatanaranappa, Esqr., 12. M. R. Ry. Rajyasera Pravina G. Parameswan Pillai, Avl., B.A. B.L.

Provincial Advisory Committee for War Supplies, Sind.

Chairman . . .	W. Kirkpatrick, Esqr., C.E.
Vice-Chairman . . .	S. C. Latif, Esqr., Controller of Supplies, Sind.
Members . . .	1. A. B. Thadani, Esqr., 2. J. Humphrey, Esqr., 3. Jamshed N. R. Mehta, Esqr., 4. Lala Ruplal Shankardas, 5. S. Quraeshi, Esqr.

Provincial Advisory Committee for War Supplies, Bombay.

Chairman . . .	H. F. Knight, Esq., C.I.E., I.C.S., B.A. (Cantab.), J. P.
Vice-Chairman . . .	G. E. Bennett, Esq., M.Sc., M. Inst., C.E., M.I. Mech., E., J. P. Controller of Supplies, Bombay.
Members . . .	1. P. B. Advani, Esq., M.Sc., 2. D. S. Bakhle, Esq., I.C.S., 3. K. D. Guha, Esq., M.Sc., 4. G. S. Taunton, Esq., 5. R. W. Bullock, Esq., 6. Neville N. Wadia, Esq., 7. Sir S. D. Saklatwala, Kt., 8. M. C. Ghia, Esqr., 9. D. M. Bhosle, Esq.

Provincial Advisory Committee for War Supplies, U. P.

Chairman . . .	W. C. Dible, Esq., C.I.E., I.C.S.
Vice-Chairman . . .	E. M. Souter, Esqr., C.I.E., Controller of Supplies, U. P.
Members . . .	1. A. N. Sapru, Esq., I.C.S., 2. S. S. Hasan, Esq., I.C.S., 3. W. R. Watt, Esq., M.A., 4. A. C. Inskip, Esq., O.B.E., E.D., 5. Dr. Sir Jwala Prasad Srivastava, D.Sc., D.Litt., A.M.S.T., Kt., 6. K. J. D. Price, Esq., 7. Lala Ram Ratan Gupta.

Provincial Advisory Committee for War Supplies, Punjab.

Chairman . . .	J. D. Anderson, Esq., C.I.E., I.C.S.
Members . . .	1. S. K. Kirpalani, Esq., I.C.S., 2. M. H. Mahmood, Esqr., B.A. (Oxen), Bar-at-Law., P.C.S., 3. Major Leeper., 4. S. P. Virmani, Esq., 5. J. C. F. Davidson, Esq., 6. H. D. Mehta, Esq., 7. Major J. W. Gordon, C.I.E., O.B.E., 8. Chowdhary Bashir Ahmad, B.A., LL.B., P.C.S., Controller of Supplies, Punjab.

ALL-INDIA RADIO PUBLICATIONS.

170. THE HONOURABLE MR. HOSSAIN IMAM : Will Government lay on the table a statement showing expenditure and income of different monthly publications of All-India Radio for the last three years ?

THE HONOURABLE MR. S. N. ROY : All-India Radio publications are issued fortnightly and not monthly. For the expenditure and income for 1937-38 and 1938-39, I would refer the Honourable Member to the Commercial Appendices to the Appropriation Accounts for these years, copies of which are in the Library. I lay on the table a statement giving the information for 1939-40.

THE HONOURABLE MR. HOSSAIN IMAM : Do I understand that the statement will give the expenditure for each publication separately ?

THE HONOURABLE MR. S. N. ROY : Yes, Sir.

Statement showing the expenditure and income of the All-India Radio publications for the year 1939-40.

Name of publication.	Expenditure.	Income.
	Rs.	Rs.
Indian Listener	1,48,864	1,52,471
Awaz	27,886	22,915
Sarang	18,621	12,897
Betar Jagat	13,014	14,640
Vanoli	9,118	8,085

SAFEGUARDING INTERESTS OF SUGARCANE GROWERS.

171. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state what action they propose to take to safeguard the interest of sugarcane growers of India?

THE HONOURABLE SIR ALAN LLOYD: The Central Legislature passed the Sugar-cane Act, 1934, which authorized Provincial Governments to regulate the price of sugarcane intended for use in the manufacture of sugar by factories. These powers were used in the interests of growers by the Provincial Governments principally concerned, who have also enacted provincial legislation further to safeguard the position of cane growers. The question is one primarily for Provincial Governments. The Government of India have no further plan in the matter beyond the setting up of a Central Sugar Advisory Committee, on which proposal they have consulted the interests concerned.

THE HONOURABLE MR. HOSSAIN IMAM: What is the constitution of the Advisory Committee which they propose?

THE HONOURABLE SIR ALAN LLOYD: That is one of the points upon which the interests concerned have been consulted.

THE HONOURABLE MR. HOSSAIN IMAM: Have Government formulated any scheme yet?

THE HONOURABLE SIR ALAN LLOYD: No, Sir.

INFERIOR STAFF ON THE EAST INDIAN RAILWAY.

172. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: With reference to the reply to question No. 72, parts (a) and (b), given on the 2nd April, 1940, will Government state whether it is a fact (a) that on the E. I. R. the system of formally confirming the inferior staff in their appointments did not exist prior to 1937 and that all men retained in service were automatically treated as confirmed and allowed leave and regular increases in pay like the permanent staff and (b) that there is a large number of skilled workmen like mistries, carpenters, masons, fitters, etc., employed between 1925 and 1934 who were not required to join the Provident Fund in spite of their being in receipt of salaries substantially above Rs. 20 per mensem and who were treated as duly confirmed in all respects even though they had not joined the Provident Fund?

THE HONOURABLE MR. L. WILSON: I have called for information and a reply will be laid on the table of the House in due course.

PROVIDENT FUND ON THE EAST INDIAN RAILWAY.

173. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: With reference to the reply to question No. 72 (d) given on the 2nd April, 1940, will Government state whose responsibility it is that "there was no previous records of confirmation available" and whether it is proposed to reduce the scales of pay of workmen for the failure of the railway authorities to keep the necessary service records?

THE HONOURABLE MR. L. WILSON: I would refer the Honourable Member to information laid on 22nd November, 1940 regarding part (e) of his question No. 72 asked on 2nd April, 1940 from which he will see that the workmen have not been penalized.

POST-WAR READJUSTMENT OF COMMERCE AND INDUSTRY.

174. THE HONOURABLE MR. M. N. DALAL: (a) Will Government state whether any consideration is being given by Government already to the post-war problems of readjustment in trade and industry, as well as demobilization and re-employment in civil life of the troops and auxiliary forces and material now being raised for purpose of the war in this country?

(b) Do Government propose to provide a suitable opportunity for discussing matters mentioned in (a) above, so that the opinion of the representatives of the Indian people be ascertained and known to Government before participating in any council or conference he'd to arrive at a post-war settlement?

THE HONOURABLE SIR ALAN LLOYD: (a) The Government are considering a proposal to set up an inter-departmental Reconstruction Committee as soon as the preliminary examination of the question by the Economic Adviser to the Government of India has been completed. As far as possible, opportunity will in due course be given to commercial and industrial bodies to express their views in regard to the preparation of plans for post-war adjustments.

(b) As far as can be foreseen, the answer is in the affirmative.

ALLOCATION OF DEFENCE EXPENDITURE BETWEEN HIS MAJESTY'S GOVERNMENT AND INDIA.

175. THE HONOURABLE MR. M. N. DALAL: (a) Will Government state for purposes of a comparative view, the policy followed—

(a) in India, and

(b) in other dominions

regarding the principles or precedents according to which financial arrangements are made for sharing the expenditure in connection with aid in men and material provided by this country and other Dominions in the present war?

(b) If the information regarding the Dominions is not available, do Government propose to secure such information to enable this Honourable House to judge of the equal treatment between this country and the Dominions in such matters?

THE HONOURABLE MR. C. E. JONES: The principles governing the allocation of Defence expenditure between India and His Majesty's Government during the present war are set out in the Budget speech, 1940. Full

details regarding the arrangement between the United Kingdom and the Dominions are not available, but it is understood that the general principle is that each Dominion is responsible for the cost of its own forces wherever employed, whether within the Dominion or overseas in a theatre of war.

THE HONOURABLE MR. M. N. DALAL : Sir, has any reference been made by the Ministers of Dominions regarding the sharing of expenses ?

THE HONOURABLE MR. C. E. JONES : No, Sir.

IMPORT RESTRICTIONS ON ESSENTIAL DRUGS AND MEDICINES, ETC.

176. THE HONOURABLE MR. M. N. DALAL : (a) Will Government state the restrictions imposed on account of war regarding the import of—

- (i) (a) essential drugs and medicines, giving a list of the same ; and
- (b) scientific instruments and apparatus, giving a list of the same ;
- (ii) freight available for all necessary imports for industry and public health in this country ?

(b) Will Government state which of the items mentioned in (i), (a) and (b) above are impossible to produce in this country for the time being, and what steps Government intend to take to ensure an adequate supply of the same for maintaining public health and pace of industrial development in this country ?

THE HONOURABLE SIR ALAN LLOYD : (A) (i) (a) and (b). There is no restriction imposed on the import of essential drugs and medicines and of scientific instruments and apparatus.

(ii) The Government have no detailed information as regards the day-to-day allotment of freight for shipments to India from the United Kingdom of specific articles. Neither His Majesty's Government nor the Government of India can control allotments of freight for shipments from other countries.

(B) The answer to the first part of the question does not arise. I may inform the Honourable Member in answer to the second part that, the problems in regard to medical supplies, are receiving the constant attention of the Medical Stores Supply Committee of which the Director General of Indian Medical Services is the Chairman. Those relating to industrial development are engaging the attention of the Board of Scientific and Industrial Research and Industrial Research Utilization Committee under the Chairmanship of the Honourable the Commerce Member.

THE HONOURABLE MR. M. N. DALAL : With reference to (a) (ii) are Government aware that a very essential serum known as 693 used for pneumonia, and another important drug known as sero-calcine are not available in this country although manufactured in London ?

THE HONOURABLE SIR ALAN LLOYD : I am prepared to take what the Honourable Member says as correct, but I have no specific information on the point.

THE HONOURABLE DIWAN BAHADUR SIR A. RAMASWAMI MUDALIAR : I may add that sero calcine is available in Calcutta and I bought some during the last Christmas season.

THE HONOURABLE MR. M. N. DALAL : It is not available now. You can take that as correct.

THE HONOURABLE SIR ALAN LLOYD : I will bring this point to the notice of the Chairman of the Medical Stores Supply Committee.

HEADMASTERS OF INDIAN HIGH SCHOOLS AT JAMALPUR AND SAHIBGANJ.

177. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : With reference to the reply given to question No. 7 on the 23rd February, 1940 will Government state—

(a) The reasons for which the Headmasters of the Indian high schools at Jamalpur and Sahibganj have not been granted honorary gazetted rank ?

(b) What is meant by the term honorary gazetted rank ? Are the holders of this rank classified as officers ? If so, of what class ? Are their status and position the same as those of local gazetted officers or are they superior or inferior to them ?

(c) Whether they belong to any special or general cadre ? If not, how is seniority for promotion reckoned among them ? and

(d) Whether these men have a right of appeal to the Railway Board and the Government of India ?

THE HONOURABLE MR. L. WILSON : (a) The holders of the posts were not considered suitable for the grant of honorary rank, which is a personal distinction.

(b) Honorary gazetted rank is only a courtesy appellation and the holders of such rank are not in fact members of the gazetted establishment. They are not classed as officers, and their status is, therefore, inferior to that of all gazetted officers.

(c) There is no cadre, special or general, for honorary gazetted staff, and the question of seniority does not arise.

(d) They have the same rights in this respect as non-gazetted staff.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : With regard to the answer to part (a) of the question, is the Honourable Member aware that Sir Guthrie Russell said in this House that if the Indian schools were as big as the European school at Oakgrove, the Headmasters concerned would be given honorary gazetted rank ? That was the basis on which the Headmasters of two or three schools were accorded that rank.

THE HONOURABLE MR. L. WILSON : The answer to the Honourable Member's question is in the affirmative. I would refer the Honourable Member to my reply which I will once more repeat. "The holders of the posts were not considered suitable for the grant of honorary rank, which is a personal distinction.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU. They were not considered suitable on personal grounds ?

THE HONOURABLE MR. L. WILSON : That is so. It is a personal distinction.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is the Honourable Member aware that Sir Guthrie Russell laid down only one criterion. That was the importance of the school. Are Government going to depart from the assurance given by Sir Guthrie Russell?

THE HONOURABLE MR. L. WILSON: Government are going to follow the principle which I have indicated in my reply to the Honourable Member.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I cannot hear the Honourable Member.

THE HONOURABLE THE PRESIDENT: He has said that Government are going to follow the principle laid down by Sir Guthrie Russell.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: If they had followed it, would it not have been necessary to place the headmasters of the two schools pointed out in my question on the same footing as the Oakgrove Headmaster?

THE HONOURABLE THE PRESIDENT: That is argument and your opinion.

RULES FOR DETERMINING SENIORITY OF SUBORDINATE STAFF OF WORKSHOPS OF THE E. I. R.

178. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Are there definite rules for determining the seniority of the subordinate staff working in the various workshops on the E.I.R. and are the seniority lists of the supervising staff prepared every year to indicate their places in the cadre for promotion and inter-workshop transfers?

(b) During the last four years have several Anglo-Indians been transferred from one group to another and made senior to Indians in the groups to which they have been transferred?

(c) During the last four years has a certain number of posts been declared to be selection posts and did this have the effect of stopping the promotion of the seniormost Indians to those posts in the usual course?

THE HONOURABLE MR. L. WILSON: (a) and (b). I have called for information and a reply will be laid on the table of the House in due course.

(c) The answer to the first part is in the affirmative; as regards the second part, it is not impossible that when a post is declared to be a selection post, staff who might otherwise have had expectations of promotion thereto on the basis of seniority do not succeed in obtaining promotion on the basis of merit.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is the Honourable Member aware that a man belonging to one section is transferred to the list of the staff working in another section, and although junior in point of service to some is then made senior to them all, that is, placed at the top of the list, for purposes of promotion?

(No answer given.)

SPECIAL SENIOR CHARGEMEN IN WORKSHOPS OF THE E. I. R.

179. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Was it decided in the year 1938 to create posts of special senior chargemen with fairly high salaries in the E. I. R. workshops as had no assistant foremen? Were these posts created in all workshops without assistant foremen or only in particular workshops?

(b) How many Anglo-Indians and non-statutory Indians, respectively, were appointed to these posts?

THE HONOURABLE MR. L. WILSON: I have called for information and a reply will be laid on the table of the House in due course.

SHIPBUILDING PROGRAMME.

180. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Will Government state the programme of shipbuilding in India to which the Honourable Finance Member made a reference in his Budget speech on the 28th February, 1941? What was the original programme and what is the further expansion that has taken place in it?

(b) What was the number of ships which were ordered to be built and the type and class of ships and their tonnage?

(c) With whom have the orders for building these ships been placed and on what conditions?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): (a), (b) and (c). It would not be in the public interest to give the details but I may say that the shipbuilding capacity of India has been utilized to the fullest possible extent.

THE HONOURABLE MR. HOSSAIN IMAM: May we know, Sir, what is the limit of the capacity of Indian shipbuilding yards?

THE HONOURABLE MR. A. DEC. WILLIAMS: I cannot believe the Honourable Member is serious in asking me that question.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What is the value of the orders placed in India?

THE HONOURABLE MR. A. DEC. WILLIAMS: It is not in the public interest to give the information asked for.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is the Honourable Member aware that it was stated in the issue of *Indian Information* of December 15th that up to that time orders of the value of about Rs. 39 lakhs had been received from His Majesty's Government?

THE HONOURABLE MR. A. DEC. WILLIAMS: The Honourable Member is making a statement and not putting a question.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: The Honourable Member has said that it will not be in the public interest to give information with regard to the value of orders. I want to know whether he is aware that information up to a certain date is contained in the—

THE HONOURABLE THE PRESIDENT: Since December last three months have passed. What may have been in the public interest then may not be in the public interest today.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Have restrictions been placed on the giving of information in this matter since December last?

THE HONOURABLE MR. A. DEC. WILLIAMS: The Honourable Member should be grateful for such information as apparently he has already got.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I want to have information that is up to date.

DIRECTOR OF SHIPBUILDING.

181. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) What are the duties of the Director of Shipbuilding?

(b) What are the qualifications of the Deputy Director of Shipbuilding and what practical experience has he of the work assigned to him?

THE HONOURABLE MR. A. DEC. WILLIAMS: (a) The duties of the Director of Shipbuilding are to organize shipbuilding programmes, to supervise their execution and to assist with technical advice firms engaged in shipbuilding for Government contracts.

(b) The Deputy Director of Shipbuilding is an Associate of the Institute of Marine Engineers and holds certificates of Naval Architecture and Engineering issued by the Education Authority, Scotland. He has 14 years' experience as Engineer and Ship-draftsman in India.

SHIPBUILDING FOR THE ROYAL INDIAN NAVY.

182. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Have orders for building any ships for the Royal Indian Navy been placed with any firms outside India, and if so, where?

(b) Will Government state the names of the firms with which and the terms and conditions (including the cost) on which such orders have been placed together with the type and tonnage of the ships in question?

(c) Is it not possible to build the required ships, boats, etc., in India?

(d) What additional steps do Government propose to take to establish or assist in the establishment of shipbuilding yards in India where ships for the Indian Navy and the Mercantile Marine could be built?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): (a), (b) and (c). It would not be in the public interest to give the details for which the Honourable Member asks, but as already stated we have ordered ships to be built in India up to the limit of her shipbuilding capacity.

(d) The Honourable Member is referred to the Press Communique already referred to.

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 meetings held on the 31st March and 1st April, 1941, namely:—

A Bill further to amend the Insurance Act, 1938.

A Bill to regulate in the Province of Delhi the use of land for purposes other than agricultural purposes.

STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE THE PRESIDENT: With reference to the announcement by me on the 27th March, regarding nominations to the four Committees, I have to announce that the following Honourable Members have been nominated for election to the Standing Committee on Emigration:—

1. The Honourable Pandit Hirday Nath Kunzru.
2. The Honourable Mr. V. V. Kalikar.
3. The Honourable Saiyed Mohamed Padshah Sahib Bahadur.
4. The Honourable Sir David Devadoss.

There are four candidates for four seats and I declare them duly elected.

STANDING COMMITTEE FOR THE DEPARTMENT OF COMMERCE.

THE HONOURABLE THE PRESIDENT: The following Honourable Members have been nominated for election to the Standing Committee to advise on subjects in the Department of Commerce:—

1. The Honourable Mr. Chidambaram Chettiyar.
2. The Honourable Mr. Shantidas Askuran.

There are two candidates for two seats and I declare them duly elected.

STANDING COMMITTEE FOR THE LABOUR DEPARTMENT.

THE HONOURABLE THE PRESIDENT: The following Honourable Members have been nominated for election to the Standing Committee to advise on subjects with which the Labour Department is concerned:—

1. The Honourable Rai Bahadur Lala Ram Saran Das.
2. The Honourable Diwan Bahadur Sir Ramunni Menon.

There are two candidates for two seats and I declare them duly elected.

STANDING COMMITTEE FOR THE DEPARTMENT OF SUPPLY.

THE HONOURABLE THE PRESIDENT: The following Honourable Members have been nominated for election to the Standing Committee attached to Department of Supply:—

1. The Honourable Mr. Hossain Imam.
2. The Honourable Pandit Hirday Nath Kunzru.
3. The Honourable Mr. J. H. S. Richardson.
4. The Honourable Sir Rahimtoola Chinoy.

There are four candidates for three seats and an election is necessary. The Council will now proceed to elect Members from the Council who shall be required to serve on this Standing Committee. The election will be according

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to the principle of proportional representation by means of the single transferable vote and the ballot papers will now be placed in Members' hands and I ask the Honourable Members to vote in accordance with the instructions noted thereon.

(Ballot papers were distributed and Members recorded their votes.)

INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE.

THE HONOURABLE MR. H. C. PRIOR (Labour Secretary): Sir, I lay on the table the information promised in reply to question No. 95 asked by the Honourable Mr. Hossain Imam on the 17th March, 1941.

QUARTERS FOR INFERIOR STAFF OF THE CENTRAL PUBLIC WORKS DEPARTMENT.

(a) 27 duffries, 285 peons and 14 jamadars are employed in all the offices under the Central Public Works Department.

(b) No.

(c) No. I have no information regarding the cases referred to in the latter portion of this part of the question, as the inferior staff quarters are placed at the disposal of the departments or offices on a *pro rata* basis and are allotted by them.

(d) No. The quarters occupied by these members of the work charged establishment (whose duties are such that they must reside in close proximity to their work) have been specifically set aside by Government for their occupation, and are no longer meant for occupation by duffries and peons.

RESOLUTION *RE* INDUSTRIAL DEVELOPMENT.

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 review the industrial development of the country and to formulate a plan, taking into account post-war conditions as far as practicable, to fill up the lacunae in the existing industrial system and to bring about a comprehensive and co-ordinated industrial development of the country.”

Sir, no words are needed from me to point out the importance of the subject with which this Resolution deals. The urgency of industrial development is universally recognized in this country. It is a matter in which both the people and the Government are deeply interested. It is true that there are differences in respect of the policy to be followed between Government and ourselves. But it is common ground between us that it is necessary both for social and defence purposes that the industrialization of the country should be advanced as rapidly as possible. If I were to state my object in moving this Resolution in a few words, I would use the words employed by the Honourable the Commerce Member the other day in the Assembly. I ask for a more balanced produce everything which can enable us to supply our own requirements, we are constantly standing like beggars at the door of others for the satisfaction of our essential needs. It is this state of things that I should like to put an end

to. This is a demand that Indian public men have been putting forward for nearly half a century. Yet, it is still much further from realization than it would have been had Government interested themselves keenly in the subject. Sir, differences between us and the Government would have continued much longer but for the war that broke out in 1914 and the present war. These wars have compelled Government to further industrialization and have shown that an extraordinary event or some calamity is required to rouse Government from its lethargy. They have shown to them that industrialization is needed not merely for the augmentation of the national dividend, not merely for raising the standard of living of the people, but also for the promotion of our national security. Unfortunately, Sir, the Indian Industrial Commission, which was appointed during the Great War, 1914-18 bore very little fruit and the Munitions Board left its work, so to say incomplete. They could only make recommendations or address themselves to the provision of meeting urgent requirements in connection with the war. But the carrying out of the far-reaching recommendations made by the Industrial Commission or the utilization of the material collected by the Munitions Board are concerned, they seem to me—I speak with diffidence on the subject—to have been wasted. The recommendations of the Industrial Commission have undoubtedly borne some fruit. We are in many respects much more advanced than we were when the Industrial Commission was appointed. The Commerce Department can make out an impressive list of the articles that are manufactured in this country. But I would like to point out that the goods that are being manufactured in this country are mostly what might be called consumers' goods. The deficiency is in respect of the key industries, that is, industries the products of which are required in other industries, which are still practically in as deficient a condition as they were in when the Industrial Commission reported. It is, therefore, necessary that we should not be satisfied with the progress that we have made. We must put forth all the efforts of which we are capable in order to rectify the deficiencies of India in respect of the production of capital goods. Our most important task is the production of machine tools and the establishment of industries required for the production of machinery used in the various industries that exist in this country.

Unfortunately, Sir, there is another serious deficiency also which is found to hamper the efforts of Government even if they were now prepared to do all that lay in their power to make up the deficiencies that I have pointed out, that is, the lack of a systematic economic census of the country will, I think, prevent them from the formulation of a plan required to fill up the gaps in our industrial system. This subject was drawn attention to as far back as 1917 by Sir Dinshaw Wacha. He asked Government whether they intended to undertake a census of production. Government were none too sympathetic but they undertook to consider the question. But nothing was done. Subsequently the Indian Economic Inquiry Committee which was asked to consider this subject among others made suggestions for the provision of materials required in order to enable Government to have an adequate idea of the economic and financial condition of the various classes of the people of this country. Subsequently the Bowley-Robertson Committee was appointed to consider this question. Nevertheless nothing has been done in this connection up to the present time. I have no doubt that the Commerce Department is feeling the need of such a survey, but the fact remains that notwithstanding its importance Government have done nothing during the last 20 years to provide

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the material on which a comprehensive plan could be based. I know, Sir, that a lot of information has been collected by the Supply Department. Government can no doubt make use of it. But it has not been published. We are therefore not in a position to say whether it is adequate or not and whether it deals with those essential industries which is necessary to start in India now in order to place her on a strong footing. I also know that the Roger Commission carried out an exhaustive survey of the potentialities of this country with regard to the production of war material, but neither the Report of this Commission nor the conclusions of the Eastern Group Supply Conference have yet been published. Indian industrialists were associated with the Conference in the capacity of advisers, although I understand that the Advisers that came with the delegations from other countries were given the status of members when the Conference began. The Indian Advisers it seems were the only persons who continued to occupy the inferior status assigned to them throughout the deliberations of that body. I wonder in view of this whether they were consulted before the Conference formulated its conclusions or were shown the report prepared by the Conference. I should like to have information on that subject from the Honourable the Commerce Member. I should further like to know whether it is not possible in spite of the confidential nature of some of the inquiries carried out that we should be given a summary of the information collected by the Conference and the Roger Commission. Is it not possible for Government to let us know what is the bearing of the information that has been collected on the future development of this country? There is, as the Commerce Member undoubtedly knows, a widespread apprehension in the country that the recommendations of the Commission and the Conference may prevent the establishment of manufacturing industries which either do not exist in this country at present or have not undergone a sufficient degree of expansion. This is a very important point, because we do not wish to continue to be the granary of England or of the British Empire. We shall gladly supply the needs of the Empire. We are willing to put forth the maximum efforts of which we are capable provided our industrialization is advanced. Besides we have at the same time to think not merely of our economic interests but of our security, and it is necessary therefore even at the present time, even for war purposes, that the development of manufacturing industries in this country should not be retarded because of any recommendations made by the Roger Commission or the Eastern Group Supply Conference.

Sir, I have so far dealt in a general way with the situation that exists at the present time. I shall now deal specifically with some of those industries the establishment of which is necessary in order to place India on a strong footing industrially and to enable her to satisfy her requirements in war time. I have already referred to the need for the production of machine tools and of machinery. The Indian Industrial Commission drew pointed attention to our deficiency in this respect, but hardly anything has been done to remedy it. Australia has established a first class machine tool producing industry during the last five years, but here, on account of the apathy, the extraordinary apathy, of Government we are still where we were nearly a quarter of a century ago. Australia was not a highly developed country industrially till about 20 years ago, but it has taken rapid strides during recent times because of a keen realization on the part of the Australian Government of the importance of industrialization. This, Sir, is an important matter and I do hope that when Government lay their plans they will give to this matter the first place in their programme.

The next thing that I should like to deal with is the chemical industry. Both the Commerce Member and the Finance Member have told us that our requirements in respect of medical stores and drugs are largely supplied from indigenous products. But we have to think of what should be done after the war. Under the pressure of war, because of the absence of imports, the authorities have to make the utmost use of the things that are produced in India, but the expansion that has taken place will come to an end, the concerns that have been started will collapse, unless a guarantee is forthcoming from the military and the civil medical authorities that they will continue to make use of the drugs and stores produced in this country. As regards chemical industries, sufficient information is not forthcoming. I know that a few industries have been started, but in view of the importance of the subject I would ask the Honourable the Commerce Member to let us know what are our basic deficiencies. In respect of heavy chemicals that have begun to be manufactured during the period that the war has lasted no comprehensive information has yet been furnished. I should in particular like to know what is the state of things with regard to the production of sulphuric acid, the supply of sulphur in this country and the production of the more important heavy chemicals. I need not mention what these chemicals are, because the Honourable the Commerce Member is well aware of them. There is another point that I should like to draw his attention to in respect of chemicals. Some industries have already been started, as I have said, but the whole range of imported materials, such as dye-stuffs, solvents, chemicals, both organic and inorganic, have yet to be systematically developed. That is another subject which requires the immediate attention of the Government.

And now, Sir, I will pass on to another subject which has been occupying public attention for a long time and which is of the greatest importance at present. I refer, Sir, to shipbuilding. The first thing that I would like to bring to the notice of the Council is that Indian ships, that is, ships on the Indian Register, have been requisitioned in fairly large numbers relatively to the size of the Indian Mercantile Marine by Government. Both large and small ships have, I understand, been commandeered either for naval purposes or for transport of men, munitions and foodstuffs. Now the commandeering of these ships is affecting the import and export trade of the country. To give only two illustrations, I understand that the transport of rice and salt has been considerably affected. Both these commodities are of great importance, and if the shortage of shipping is seriously depleting the stores of these commodities in some provinces this shows how great is the need for the building of ships in this country. Apart from this, Sir, some time ago Vice-Admiral Fitzherbert drew the attention of the Government to the importance of this industry. He said in his broadcast talk in August, 1940 :—

"I would like to mention also another subject vital to India's progress and having a close relation to our naval needs. It is the shipbuilding industry. At the present moment, no such industry exists although, as everyone knows, in the past India's shipbuilding industry was world famous. It is obvious to me and I think to a great many other people that the sooner a shipbuilding industry is started the better for India. Such an industry to be successful needs courage, enterprise and forethought. That all these are present in India is a fact that cannot be denied".

There is one thing, however, that is not forthcoming, and that is the support, the full support, of the Indian authorities. Before I deal with this matter, I should like to point out that ships are being built on behalf of Great Britain in other countries, in Australia, in Canada, and in America. In America new shipyards are being established at the expense of His Majesty's Government and the building of ships in these new shipyards will not take less than

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18 months. Yet no assistance has been given to this country in the matter of the establishment of the shipbuilding industry. If the industry were established it may in course of time—and nobody knows how long the war may last—be a valuable asset to His Majesty's Government. The Government of India in a *communiqué* which they issued some time ago said that they had taken the steps necessary to persuade His Majesty's Government to supply India with those articles that would be required when a shipbuilding industry is started here. I should in this connection like to point out that when I put a question on this subject in November last the Commerce Secretary said:—

"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".

Now I think, Sir, that this is the crux of the matter. I do not doubt that the Government want a shipbuilding industry to be established in this country, but their refusal to recognize this industry as a war industry is I think the main cause of India's inability to receive that assistance from England which she requires in order to start shipbuilding. I ask pointedly for information on this subject. I understand that if the Government of India were to make it plain that they regard it as a war industry, and for this they will first have to make up their own minds that the policy which found favour with them till November last requires to be changed help may yet be forthcoming from His Majesty's Government in spite of their difficulties.

Now, Sir, I shall deal just with one more industry before I pass on to other things. That industry is also of national importance. I refer to the manufacture of automobiles in this country. A resolution on that subject was moved here in November last. It was amended by Government and the amended Resolution reads as follows:—

"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".

But so far nothing has been done in the matter. Government have contended that the conditions which must be satisfied for the receipt of assistance from them in this matter have not been fulfilled. Their contention is that the proposal that has been put forward by some private promoters will, even when it has been fully carried out, leave India dependent in respect of certain parts on foreign countries. That may be true, and probably is true. But surely even so our position will be better in future than it is at present. Apart from this Sir Visveswarayya has pointed out that even in other countries reliance is placed for the supply of specialized parts on those industries that deal exclusively with them. The objections that Government have put forward do not therefore seem to me to be conclusive. If they and the Military authorities give more encouragement than they have done, it seems that the manufacture of automobiles in this country may soon be started. The Military authorities have put forward some objections. They do not want to use automobiles of a new kind. Well, they are already using two kinds of automobiles. Apart from this, as the promoters have pointed out, certain sections in those that remain in India might be supplied with cars produced in this country. But so far, none of these proposals has commended itself to the Military authorities. It is, Sir, however pleasing to know—I rely here on the information published in the *Statesman* of the 28th of March—that Indian motor cars, that is motor cars made in this country, may be expected to be on sale before this year ends—

THE HONOURABLE THE PRESIDENT: Are you reading from the *Statesman*?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I am not reading from the *Statesman*: I am giving the information in my own words. This development has become possible because of the generous assistance of the Mysore Government. This shows that the proposal put forward by the promoters was sound, and that the objections put forward by Government, though they may have much substance in them, were not conclusive, were not of such a nature as to rule out State assistance to the automobile industry.

Sir, these are the most important industries to which I wish to draw the attention of Government by way of illustration. It is obvious, Sir, that unless we bestir ourselves now, we shall be unable either to adjust the industries that have been started to peace time conditions when the war is over, or to take steps to fill up the large gaps which exist in our industrial system. This, I know, is a subject that has engaged the attention of my Honourable friend Sir Ramaswami Mudaliar. Speaking on the 19th March last in the Legislative Assembly, he made three announcements of a most important character. With regard to readjustments after the war, he said that the Economic Adviser to Government had been at work for some months on this question and that he intended to set up an Inter-departmental Committee with representatives of the Finance, Supply, Defence and Commerce Departments to formulate "some kind of plan for the future and to place some suggestions before the authorities even now". Another announcement of an equally important character related to the survey of the present situation and the steps to be taken to make up our present deficiencies. He said that he hoped that "it would be possible to undertake a kind of survey about the gaps that exist in the industrial expansion of this country. The Roger Mission had done excellent work in surveying the position from the point of view of the war necessities. If necessary, a small Committee of experts would survey the situation and report to Government from month to month". Sir, these announcements, as I have already said, are of the greatest importance, and the House would congratulate the Commerce Member on having adopted so far-reaching a policy. But my excuse for referring to this subject again is this: We shall be required to make readjustments after the war. A certain number of industries have been started under the stress of the war. Most of these industries—particularly the Ordnance factories—are under the control of Government. The machinery belongs to Government, and the men have been trained by them. If this machinery and these men are turned to civil uses after the war, such a step would have the most beneficial effect on the industrial progress of India. When I referred to post-war adjustment it was this subject that I had most prominently in my mind. There are other questions, too, connected with it: but the utilization of the war industries for the production of the things that would be required in peace time should occupy the immediate attention of Government. It is a matter of cardinal importance both in the interests of the men who are employed in these industries and in the interests of the wider industrial development of the country. Another reason, Sir, why I have referred to this subject again is this: There are two matters on which I should like to lay stress in connection with the survey of which the Honourable the Commerce Member spoke in the Assembly. I hope that the supply of cheap power will be one of those subjects which will receive the attention of Government again. It had been investigated by them in the past: it was investigated by the Industrial Commission, and also by a committee that was appointed in pursuance of the recommendations of that Commission. But

[Pandit Hirday Nath Kunzru.]

I think a fresh investigation might be undertaken at the present time, for the development of cheap power is essential to the adequate development of our industries.

The other subject to which I want to draw attention in this connection—and that is the last subject—is the need for research. I am aware of the steps taken by Government in this direction. I have no desire to belittle the efforts made by the Commerce Member in this connection. But it has to be recognized that research on an adequate scale cannot be carried out with a grant of Rs. 5 lakhs only. If we want to undertake research on an adequate scale, we must take a leaf out of the book of other industrial countries, e.g., England, Germany and the United States of America. We shall have to spend much more on research than we do at the present time. This is a subject, Sir, which is of the utmost importance and I hope that the Commerce Member will soon be able to persuade the Finance Member to give a much larger grant for research than has been done up to the present time. The scale on which the work is being carried out at present is much too restricted. It hardly shows an adequate realization of the importance of the problem on the part of Government. It is one that ought to receive their attention in a much larger degree if we are to be in a strong position industrially.

Sir, I have already dealt with the main questions that I wished to press on the Government in connection with the industrial advancement of this country. I should, however, before I sit down, like to emphasize the need for a simplification of the conditions laid down by the Fiscal Commission for the grant of State assistance. The conditions mentioned by them, when stringently applied, hamper industrial development. I know that Government in the past have not adhered to them meticulously. I also know that in March last Government issued a *communiqué* promising war industries and industries required on account of the gaps created by the stoppage of certain kinds of imports assistance even though this might require a departure from the conditions laid down by the Fiscal Commission. But I think the time has come for a more comprehensive review of the question and for a much greater simplification of the policy of the Government than has so far been attempted.

Sir, I have already exceeded my time. I will not, therefore, dwell on any other question. I should, however, like once more to say that our future largely depends on the industrialization of the country. I am not pleading for the neglect of agriculture in this country. We have happily important agricultural industries in our country. We have not to depend for our essential requirements in respect of raw materials on other nations. This is a source of great security to us. Yet, unless steps are taken to industrialize the country, it will not be able to derive the full benefit of such resources as at present exist. This is why, Sir, I have pleaded again and again that early and comprehensive steps should be taken in order to speed up the industrialization of the country.

Sir, I move.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay: Non-Muhammadian): Sir, I am sure that every section of the House will support without hesitation the Resolution moved by my Honourable friend Pandit Hirday Nath Kunzru. In speaking on this Resolution I must at the outset point out that it is identical with the suggestion that I had made in the course of my budget speech that the Government of India should lose no time establishing a Board of Industrial Reconstruction precisely for the purposes for which my Honourable friend has brought forward his Resolution today.

Sir, it is inevitable in fighting a war of this magnitude, the industrial resources of India, as of every other part of the Commonwealth, should be exploited to the maximum extent possible, solely for the prosecution of the war to a successful end. During critical times like these, when the Commonwealth is fighting for its very existence, it may be said that the Government of India have no time for planning for the period of peace that lies ahead of us. Sir, this is, if I may say so, an extremely short-sighted point of view. Whether in the region of finance or of industry, while the Government's main occupation should be to stimulate war effort to the utmost extent possible, they should not, at the same time, overlook the equally important consideration of the country's economic structure after the war is over.

Sir, as I had pointed out in my budget speech, the Chancellor of the Exchequer in England, while levying a 100 per cent. excess profit tax, has set aside half the amount of the tax as a reserve fund for peace-time industrial reconstruction. The British Government have even appointed Sir Charles Innes, a former member of the Government of India, to be in charge of this most essential task of industrial reconstruction. Sir, if Britain, who is witnessing a war of growing intensity day and night round her shores, and in the air over her towns and cities, can think of providing a solution for these problems, we certainly have no excuse in this country for postponing action.

No one can foretell, Sir, how long this war will last, and which parts of the world, now comparatively quiet, will be thrown into this struggle before the end is in sight. Nevertheless, it is clear that in some respect this war has belied our expectations. During the last war the prices of primary commodities rose high, thus increasing the purchasing power of the people and giving an enormous stimulus to industrial development. The Government of India at that time were quick to perceive the possibilities of the situation, and promptly appointed an Industrial Commission under the Chairmanship of Sir Thomas Holland, with comprehensive terms of reference.

But during the nineteen month that this war has lasted what have we witnessed? The prices of agricultural commodities have fallen, and with the loss of export markets, the cultivator has extremely anxious times ahead. On the other hand, the Finance Member has not waited as his predecessor did during the last war until the end of the war to lay his hands on excess profits. He has already decided to take two-thirds, and there is no guarantee that the Honourable Member will not make further inroads.

With the purchasing power of the people crippled, the loss of a large proportion of our export trade abroad, shipping difficulties which threaten to grow more serious this year, and the levy of a heavy excess profit tax, can any one envy the lot of the Indian industrialist? Sir, this may seem a depressing picture; but I make bold to say that it is a clear reflection of the position of Indian industry.

Sir, what I want the Government of India to consider is the even worse plight of Indian industries at the end of the war. They should not forget the experience after the last war, when cotton mills worth about 11 crores had to be scrapped and thousands and thousands of workers were thrown on to the street. There will be little reserve left for meeting the shocks of the post-war depression period which must set in sooner or later. It is for that reason, Sir, that I urge the Government not to rest content with merely taking money out of the pockets of the industrialists but to do something immediately and to see that the economic structure of the country will survive these shocks to which I have referred. It is with that reason I urged that the immediate needs of the war should be co-ordinated with a long-term view of the industrial

[Mr. Shantidas Askuran.]

development of the country. It will mean the building up of a trained body of experts who will see that industrial plants are so devised as to be capable of being adapted quickly and easily to peace-time purposes, and the technical training now given for war purposes will not be wasted with the return of peace.

Sir, I would put in a special plea for steps being taken to render the country self-sufficient in regard to key industries, particularly for those requirements like defence. We were glad to note that the Finance Member was in a position to announce in his Budget speech that the first aircraft produced in India will be available before the end of this year. I have heard reliable reports recently of motor car manufacture being established in the near future. Sir, I am glad that at last we are moving into an era of action. It is to the credit of Mysore that the State has shown enterprise and an active spirit of fostering industrial development. I am not here trying to distinguish between British India and the States in any spirit of making comparison; though, Sir, I would say that the Government of India should be vigilant to see that industries do not migrate on a large scale into the States for any reasons. My main purpose, however, in mentioning Mysore is to point out to the Government of India that they too should follow a similarly bold policy of encouraging industrial research and development.

Sir, if instead of long discussions that we have had in this country over a period of years in regard to shipbuilding, we had a Government with drive and imagination, India would have been in a position today to relieve the considerable anxiety felt in Britain on account of the submarine menace. Perhaps it is not for me as one connected with an Indian shipping concern to dilate more on this point. But I leave it to the Government to visualize how different the situation would have been, if India were in a position at the commencement of the war to turn out ships, aircraft and motor cars in large numbers.

The Honourable the Finance Member has referred to the possibility of aircraft of Indian manufacture being ready before the end of the year. But I would like to know, Sir, what the Government of India are doing to offer at least indirect assistance to these new industries of aircraft and motor car manufacture? Have they shown any willingness to guarantee the purchase of a minimum number of planes and motor cars every year? Let them by all means lay down standards of quality for these industries. But one well-known way of giving State encouragement is to guarantee purchase of their products, as in fact the Dominion Governments are doing today.

Sir, one has only to compare the enormous progress that has been made in Canada and Australia in regard to the manufacture of ships and aircraft and motor cars with the position in this country to appreciate the point I have been making. I would say to the Government that the time has come for fewer conferences and more positive action.

Sir, I do not minimize the importance of starting a Board of Industrial and Scientific Research. I am glad that the Honourable Member in charge of Industries has already appointed an Industrial Utilization Committee on which experienced industrialists have important places. But I would ask him to compel his colleague, the Finance Member to set aside far larger sums than he has done for the purposes of stimulating industrial research on an adequate scale.

Sir, it is not only industrial research that is necessary. I am sure that during the time that the Supply Department has been in existence, a great deal of valuable knowledge and experience has been gathered which would

be of the utmost assistance to industrial development in this country. Prompt steps should be taken to see that this knowledge and experience are not wasted at the end of the war. And what applies to the Supply Department applies equally to the newly started Eastern Group Council.

Sir, this brings me to my last point, namely, the overhauling of our fiscal policy. A complaint has been voiced by several Members in both Houses during this session that the conditions laid down for the protection of industries as laid down by the Fiscal Commission nearly twenty years ago are too rigid, dilatory and out of date. What is wanted is an expert body permanently functioning and dealing promptly and sympathetically with the claims of new industries for protection and State assistance. The effects of protection must be constantly watched by this expert body, and variations made immediately in accordance with the growing needs of such industries.

Tariff Boards in recent years have taken far too long a time for their investigations; and when they have made their reports, the Government of India have pigeon-holed their reports, sometimes for several months, and occasionally for much longer periods. These Tariff Boards, fact-finding Boards as they are called, have been followed by fault-finding reports by the Government of India, pointing out reasons for varying, or even not accepting the recommendations of the Tariff Boards. Such treatment, Sir, is neither respectful to Boards consisting of experts, nor helpful to the industries which claim protection.

Sir, I have great pleasure in supporting this Resolution; and I earnestly hope that the Government Member who will reply to the debate will be in a position to accept the Resolution and confer lasting benefit on Indian industry.

THE HONOURABLE MR. J. H. S. RICHARDSON (Bengal Chamber of Commerce): Sir, the Resolution now before the House seems to raise three important issues:

- (1) a recommendation to the Governor General in Council to review the industrial development of the country;
- (2) a recommendation for the formulation of a plan that takes into account post-war conditions;
- (3) a recommendation that Government should bring about a comprehensive and co-ordinated industrial development of the country.

In regard to the first of these issues, namely, to recommend a review of the industrial development of the country, I have always understood that it was one of the first duties of Government to keep constantly under review the industrial development of the country and consequently for this Council to make a recommendation of the nature proposed might almost be tantamount to a censure on Government. I should feel much less respect than I do for the Honourable the Commerce Member and the Honourable the Finance Member if I thought that they, even for a day, neglected to take into account industrial development in this country, since it is obviously quite impossible for them to formulate any policy whatsoever if they do not constantly keep in mind the industrial developments that are taking place all around us all the time. It is indeed quite evident from what the Honourable the Commerce Member said some days ago in another place that Government do have the question of industrial development very closely in mind. For instance, the setting up of an inter-departmental Committee is, we now learn, under consideration and the Honourable the Commerce Member in the course of his most interesting remarks showed with great care that in various other ways Government have a very lively regard to industrial development both now and in the future.

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He also showed that Government are fully alive to the tremendously important fact that industrial and agricultural development must be considered together and a proper balance between the two maintained. In view of all this, I really cannot see the necessity for the recommendation.

I am not clear as to what is meant by one suggestion that has been made and was mentioned the other day by the Honourable the Commerce Member, namely, that machinery of some sort is desirable to keep the effect of protective duties constantly under review. The past history of certain protected industries has undoubtedly given cause for dissatisfaction in various ways and I think it is a matter of regret that for various reasons the Central Government have not been able to see their way to investigate and take action over these questions. Had they done so those industries might have been in a happier position today and that bitter-sweet sugar is perhaps an outstanding example. The question is whether in all the circumstances the Tariff Boards which have been established from time to time are the best or indeed the proper means of conducting post-tariff investigations of the kind the Honourable the Commerce Member has in mind. The value of such inquiries is of course obvious and it is unnecessary for me to comment upon them, but we have been told that the development of industries is a provincial subject and the responsibility of the provinces. I am wondering how this fact is to be reconciled with the other fact that it is the centre only which can grant protection and consequently how best can the centre carry out its duties to all the varied interests involved. This is an aspect of the problem which must be borne in mind and although naturally such interests must be consulted, I would like to suggest that some of these questions at any rate could and should be dealt with by the Commerce Department and their own expert staff. Protected industries do and should divulge all necessary information which might be required to justify altering in any manner the degree of protection previously afforded and which it is in the power of Government to do. Government have at their disposal also other statistics regarding import trade and statistics of trade which might have reaction on the Finance Department and which would enable them to make their own decision as to what alterations, if any, might be deemed necessary from time to time. In these circumstances, therefore, I cannot see what further machinery is required, especially if the proposed inter-departmental committee is set up.

In regard to the second issue raised, namely, the formulation of a plan that takes into account now post-war conditions *as far as practicable*, I am afraid that here too, I cannot altogether agree with my Honourable friend the Mover of the Resolution. What are the practical facts? None of us can possibly tell what post-war conditions will be. We may, and we do, guess at what post-war trade conditions and trends may be. But at this stage I cannot see how we can do more than that. In England the position of course is quite different and among the major problems that will face her Government after the war will be, for example, the problem of the reconstruction of devastated areas and following from that, possibly the wholesale moving of industries from one area to another. That, however, mercifully is not a problem that faces India. I hope it never may. Again another practical fact is that it is impossible for me to forget that India is, first and foremost, a producer of raw materials. Representing as I do industrial constituents, I can fully sympathize with the feelings of Indian industrialists who desire—as my constituents do desire—to see that steady growth and development of Indian industry. That, however, does not blind me—and I hope it will not blind others—to the plain practical fact that a very large percentage of India's export trade

is represented by her exports of jute and cotton alone and I suggest that in it lies the heart of our problem. If India were to lose any part—even a small part of her present jute and cotton exports—not to mention others that are also of great importance, wheat, vegetable oils, hides, etc., the repercussions on her existing important industries might be serious. As a result of the high protective tariffs and of the high revenue duties that have now been in force for many years, the problem of balancing exports and imports was becoming an important one even before the war. I venture to think that after the war, the problem will come even more into the forefront.

And, Sir, it is here that we find the main difference between India and for example the United Kingdom or the United States of America. The United Kingdom and the United States of America are the two greatest importing countries in the world and it would be gross folly for us to overlook this fact. Whatever the outcome of this present war may be, of one thing I think we can all be certain—namely, that there will be important changes in trade trends and the determining factor (or at least among the most important determining factors) will be the position in which the United Kingdom and the United States of America emerge as potential buyers in the world markets. This is a fact that some may regret, but it remains none the less a fact and one from which we cannot get away.

India, on the other hand, is in a very different position. If, as a result of post-war conditions, she loses any part of her present important export trade, the repercussions, especially upon such provinces as Bengal will be serious. The Honourable the Commerce Member in the same important speech to which I have already referred, emphasized the great importance of India's export trade. It is indeed obvious that if owing to over-industrialization or other causes we do not import, then neither can we export and it is for this reason among others that to the great cotton and jute-growing provinces exports are, and must remain, vital.

Sir, I fully sympathize with the Mover when he says that we should be thinking ahead, but these are some of the practical facts to be faced. We certainly must think ahead. Bankers and industrialists must do so and the Government of India themselves must also do so, if for no other reason than that a substantial portion of their revenue comes on the one hand from the income-tax paying classes—*viz.*, the industrial and commercial classes—and on the other from customs duties including revenue and protective duties, export duties and excise duties. There can, therefore, be no question but that we must all be thinking ahead and trying to peer into the dark glass of the future. Business men do this all the time; if they did not, they would soon be out of business! The formation of the Export Advisory Council, the Board of Scientific and Industrial Research and the Industrial Research Utilization Committee as well as other factors show, it is quite evident, that the Honourable the Commerce Member is doing so, and if my understanding of the Honourable the Finance Member's latest Budget is correct, to the extent that Government maintain a sound credit policy and so keep money cheap for industry, they too are planning ahead. To the extent that they are strengthening India's credit by repaying a large part of her sterling obligations and so enhancing the country's credit in world markets, they are thinking ahead. Even in their imposition of heavy excess profits tax and income-tax, we must I feel recognize that they are looking to the years that lie ahead. None of us likes heavy taxation—least of all those who have to pay it; but the overriding needs of a war in which we are fighting for our very existence makes heavy taxation inevitable. That does not mean that the Government of India can go on indefinitely piling up the burden on the direct taxpayer. They

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cannot; if only for the reason that if they kill the goose that lays the golden egg, they will get no more eggs! In their taxation policy, therefore, as it seems to me, Government show definite indications that—with a lively recollection of what happened during the last great European War and afterwards—they realize the necessity, unpleasant as it may be, of taxing how those best situated to make large profits. By so doing they are thinking ahead and they leave open for themselves the way later to resort to other methods of raising money—by increasing resort to loans for example, new excise duties and so on.

Sir, the Honourable the Mover of the Resolution, it would seem, is however not satisfied with what Government has done and is doing. Well, Sir, as I have suggested, Government, through the words of the Commerce Member have given us the clearest possible indication that they are looking to the future and, as I have already said, the Finance Department, the Commerce Department and the Economic Adviser must all now take carefully into consideration possible post-war developments. If they were not doing that, they would, I feel, not merely be missing an opportunity, but be failing in their duty. That however is not the same thing as the formulation of a theoretical plan to meet post-war circumstances and conditions about which even the most far-sighted among us can know very little. I should, however, like to hear from the Honourable the Commerce Member that probable future economic trends are receiving—as I am sure they are—the constant attention of the Economic Adviser and that his considered opinion and memoranda are being examined also by all Government departments—in particular the Finance Department, the Commerce Department, and the Labour Department—if that is what the Honourable the Mover means. If he will be satisfied with that, then I can fully support him. But if he means more than that, I am afraid I cannot.

In regard to the third issue raised in the Resolution, namely, the bringing about of a comprehensive and co-ordinated industrial development, this again is an ideal which I hope and believe the Government Benches have already closely before their minds. Although the Resolution does not mention it, a proper balance between industry and agriculture is of the utmost importance to the future prosperity of India—as it is important to all other countries. There can be no doubt that as a result of the war very important changes are taking place within industry all over the world and in particular men's minds both in Government and in business and financial circles are giving much thought to the question of how to retain or to bring about a proper balance between industry and agriculture and to ensure stability within individual industries. In this connection I have read with the very greatest interest what the Honourable the Commerce Member said in another place, and I hope to hear again from him today a word on this important subject. I should, for example, like if possible to know rather more than I do at present as to what steps Government are taking to examine the problem of post-war employment. I should like to hear from him also something about what he thinks of the possible course of post-war exports and the possible course of industrialization. Lastly, Sir, the Honourable the Finance Member recently gave in another place his views on the question of capital expenditure during the war more particularly in the provinces. By reason of the high level of direct taxation, capital development in industry is already checked; but there is evidence that some of the Provincial Governments and certain local bodies have not yet appreciated the importance of co-ordinating

their capital expenditure programme with the country's war effort. We are fully aware of the shortage of technical and trained workers and it seems to me that here is a sphere in which the Government of India by taking action now can help not merely the war effort, but the problem of post-war employment also. Wherever possible trained men now engaged upon capital construction for municipalities and Provincial Government should, I feel, be diverted to war production. This would of course mean the slowing up of capital development and capital construction by such bodies. But in so far as they have to postpone urgent capital construction now, they would in the difficult post-war years be able to reabsorb men now released for urgent war production and so to that extent assist in solving the problem of post-war unemployment and even out the probable downward trend of production in the heavy industries.

One last word, Sir, and I have finished. The issues raised in this debate are large and complicated, and I have not had an opportunity of obtaining the considered opinion of those I represent. At the same time, I am grateful to the Honourable the Mover of the Resolution for the opportunity it has afforded of discussing these important and complex matters and I regret in view of what I have said that it is not possible for me to support him.

THE HONOURABLE DEWAN BAHADUR SIR A. RAMASWAMI MUDALIAR (Commerce and Labour Member): Mr. President, the Honourable the Mover has traversed a very wide area in commending his Resolution to the House. I had an opportunity, in another place, only a few weeks ago, of making what I considered a more or less comprehensive statement on the lines on which Government are considering large issues which have been raised in connection with the future industrial policy of this country. My purpose today in attending this debate is to clarify any difficulties that have arisen in understanding that speech and to suggest, if it is necessary for me to do so, in what sense I made certain proposals. The Honourable the Mover of the Resolution has referred to post-war reconstruction policy, to the need for surveying the industrial development of the country at the present time and for co-ordinating the development of industries. I said, Sir, in the earlier speech to which I have already alluded, that Government were seriously considering the question of post-war adjustment and that an inter-Departmental Committee may shortly be set up which will from now on consider what plans could be evolved for the readjustment of the expanded industries due to war requirements and what is far more important, for the re-employment of the technical labour which is now being utilized in these expanded and expanding industries. I am certain that at the end of the war problems relating to industrialization and employment will receive the serious attention of all Governments. I myself believe, Sir,—that while complaints have been made about the extent to which Government are now interfering with the ordinary trade and commerce of every count, try and complaints have also been made with regard to governmental control, full or semi, regarding the industries of the country—I myself am convinced, looking at the point purely as an individual and trying to look ahead, that immediately after the war is over and peace conditions are restored, the need for some sort of governmental intervention in all these matters will not necessarily cease. It seems to me that at that time conditions will be such that some sort of governmental intervention will have to be continued in the period immediately following peace and that it will be a very short-sighted policy if Government or industrialists or business men were to consider that immediately after the signing of the peace or the declaration of armistice, things could be left to adjust for themselves without any sort of governmental intervention. I am

[Dewan Bahadur Sir A. Ramaswami Mudaliar.]

not suggesting control necessarily. I do not myself like the idea of governmental control. Having reviewed the position of our import control and export control policies I am certain that my Honourable friend the Commerce Secretary will be the first to heave a sigh of relief on the date when these control policies come to an end. But, taking a realistic view of the situation and looking forward to possibilities at the end of the war, I do feel that Government will have to continue their careful watch over all these problems, export, import and industrialization, if society were to be saved from an upheaval which will be altogether undesirable and will do most damage to vested interests, and particularly to commercial and industrial interests. If, therefore, Sir, even now we have begun to examine the policy of what we may do in post-war readjustment, it is not because we feel that any cut and dried plan can now be put forward which will be unalterable at all times but because we feel that such plans may have to be even now thought of—plans which would necessarily be readjusted from time to time, almost from month to month, because no finality can be stated about these plans at the present time. We are quite aware of it. But we feel that we must look ahead and that even now we may have to give certain advice to certain Provincial and State Governments or to industries or to commerce and that if we sit with folded hands and wait till the conditions are known which will prevail at the time of peace, it may be far too late to do anything useful or advantageous at that time. My Honourable friend Mr. Richardson referred to the fact that post-war directions or advice may be conveyed to Provincial Governments with reference to capital expenditure. I myself suggested that that was one of the possibilities which we were thinking of in our plan for post-war readjustment. There are certain plans for capital expenditure by the various Provincial and State Governments. The question may arise whether it is necessary that they should push through those plans at the present time or whether it would not be more advantageous for the country as a whole at the end of the war to have those plans carried out. There are two considerations which necessarily weigh in considering that question. Let us realize that at the present time, all commodities which are to be imported with reference to any of these items of capital expenditure must necessarily bear a very high cost. Plant, machinery, whether for power development, electric development or for large irrigation works or for huge building schemes—the materials required for these things necessarily bear a very high cost and industrialists with experience of the last war will be the first to admit that wherever expenditure of that kind can be postponed to a later date, probably it will be just as well that they should postpone that expenditure so that they might get these materials at more normal prices than they are bound to get at under the very restricted conditions which prevail today. That is purely from the point of view of costs. But there is another and a wider consideration which may have to be borne in mind and which we are prepared to convey as advice to various Provincial and State Governments, and, if I may go a step further, to industrialists also under certain conditions. If a thing is not absolutely urgent at the present time, if conditions are not so favourable that this opportunity should be seized for certain capital expenditure, and if they could well await a more static condition of affairs, then it seems to me that the advantage is on the side of waiting till peace conditions are restored for carrying out that capital expenditure. There are irrigation projects which have been on the tapis for some time; perhaps some of them have been worked out in detailed estimates by Provincial and State Governments. There are other large public works which have been carefully studied by those Governments, and it would be a policy of wisdom if these were to be taken up later when labour would be

comparatively cheaper, when more technical assistance will be forthcoming and when, as I said, costs may perhaps be lower. That is only one aspect of the problem of post-war readjustment which is being examined.

My Honourable friend in his very interesting speech referred to the development in our Ordnance factories. The House is aware that in England shadow factories have been constructed. Unfortunately they were not constructed as early as they could have been. They were constructed just after Munich, I believe, and those shadow factories are now working. Most of them are private companies, with a certain amount of governmental assistance in the building up of those factories, and the Honourable Mr. Arthur Greenwood is Minister without portfolio in special charge of this plan of post-war reconstruction or readjustment. My Honourable friend Mr. Shantidas Askuran has referred to the fact that Sir Charles Innes is President of the Committee which deals with this particular question. And their duty is partly at least to see that these shadow factories, which are now producing war materials, munitions and so on, are converted to civil use at the end of the war. They are planning how readjustment can be brought about. In this country most of the Ordnance factories are Government-owned, and as Honourable Members are aware they are under the control of the Defence Department. They have been expanded and yet more expansion is taking place. The Chatfield recommendations are being given effect to and beyond the Chatfield recommendations also it has been possible to go in some cases. I am not at liberty to disclose to the House what expansion has taken place, what expansion is in the offing and how soon that expansion will be brought about. But I can say this, that our Ordnance factories will very shortly be at optimum production and many things never dreamt of in this country will be produced by those Ordnance factories. But the point still remains that at the end of the war—and we hope that after this war our own generation and the generations to come will have a better time than we have had during the last 25 years—this expanded activity of the Ordnance factories cannot be kept up and they must resume more normal proportions. It is possible that the material thrown out, the technical labour that will be disemployed, will all have to find readjustment elsewhere. My Honourable friends have been very much concerned with the heavy industries, particularly on the engineering side. I can certainly sympathize with that desire to build up the heavy industries in this country. But they will realize that at the present time expansion is going on, that even machinery is being built up in this country itself, that our armament factories are being supplied with certain machinery which is being constructed by certain civil firms in a position to do so thanks to their experience of the past. All this material which will be disgorged from the Ordnance factories and all the technical labour that has been so patiently instructed and trained during these months will have to get readjustment after the war, and it is my hope that at that time we shall be in a position to give a better account of the development on the heavy engineering side which is possible and which can immediately go into production than we are able to today. Sir, that is another aspect of readjustment which this inter-departmental committee will have to watch and to plan for.

My Honourable friend Pandit Kunzru made an excursus, if I may say so, into the Eastern Group Conference, the Supply Council and the Roger Mission. As he has referred to these, though it is a little out of the way so far as the Resolution is concerned, and as this topic has been so often canvassed in newspapers and has formed the subject of debate and resolutions in conferences of industrial magnates, I think I should take the opportunity to clear up, I hope finally, many of the misconceptions that have gathered round the Eastern

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Group Conference and the Supply Council. My Honourable friend referred to the position of the Indian commercial advisers to the Eastern Group Conference and repeated what has been so often said in the press and at industrial conferences that these advisers were not taken fully into the confidence of the Government, that they did not know what was happening and that their services were dispensed with without their being any the wiser for having attended the Eastern Group Conference. It has also been suggested that the very idea of having these advisers was due to the inspiration of a gentleman from abroad and that till that inspiration came this deaf and dumb Government of India had not the wit to consider such a proposal or the understanding to carry it through. These statements have been made, Sir, and I think it is right that I, standing on the floor of this House, should authoritatively contradict these statements. The fact that an Advisory Board was constituted, that industrialists were requested to attend as advisers to the Eastern Group Conference was the decision of the Government of India, and that decision I am in a position here and now to state from personal knowledge was taken without the help or inspiration of anybody whatsoever. But that is only a small matter and we need not waste our time over amplifying that aspect of it. A more serious complaint has been that the advisers to this Conference were not treated fairly and that somehow a distinction was made between the Indian advisers and the advisers to other Governmental delegations which attended the Conference. Here emphatically I state from my personal knowledge as much as the Commerce Member as on behalf of the Government of India that there is no justification whatsoever for that statement. The facts are these. The various Governments about the end of August last year, when this idea of an Eastern Group Conference was first mooted, suggested that their delegations would be purely composed of Governmental representatives and on that basis the Government of India felt that their delegation also should be a purely official delegation, so that we may be in line with other Governments whose representatives would be attending this Conference. Later, during the month of September, it became evident from information that we received about the composition of these delegations that in some cases at least the representatives were not going to be Government representatives, and for the first time we heard that some of them were going to be advisers. Immediately the Government of India took up the question of associating with our own delegation a number of industrialists who will be advisers to the Government of India delegation and that is how the advisory body was constituted and the advisers to the Government of India were exactly on the same plane as the advisers to other Governments. I might add that while the first list showed that certain of the gentlemen who attended would be advisers and others would be delegates, we were told later that some of those original advisers, who were again people who were actually in the service of the Government, either permanently or temporarily, were promoted to the rank of delegates. That was done by the Governments concerned and we had no hand in it and we could not control that. That is how some of those advisers, or gentlemen who were originally designated as advisers, became delegates at the Conference. But still there were certain advisers of various Governments and they received the same courteous attention as the advisers of the Government of India. Now, Sir, there has been a great deal of mystery about the Report of the Eastern Group Conference.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Why didn't you raise the status of your men?

THE HONOURABLE DEWAN BAHADUR SIR A. RAMASWAMI MUDALIAR: Their status was that of advisers and having been a delegate myself, I can assure my Honourable friend that I did not feel an inch taller than any of the advisers who were associated with the Government of India delegation; but, on the other hand, the Government of India advisers and the other advisers in the various sub-committees that were formed had more to do with the deliberations, played a more important part, than some of us delegates of the Government of India or of other Governments. Now, Sir, as I said, this was an excursion on the part of my friend and I crave the pardon of the House for having diverted this portion of my speech to that subject. Then again my Honourable friend spoke of apprehensions that were entertained by industrialists and commercial men in this country, that somehow the constitution of the Eastern Group Supply Council would mean that we will not be allowed to start new industries, but that somebody else, either the Dominions or other Governments, would steal a march over us. I think it would have been fairer if my Honourable friend had referred to the Press Note that was issued the other day about the work of the Eastern Group Supply Council.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I was not concerned with the Eastern Group Supply Council at all. The members of the Council stated that they would deal with only such requisitions as were sent to them by the various Governments. What I wanted to know was the policy that our Government had accepted in consequence of the recommendations of the Eastern Group Supply Conference. I am concerned with the recommendations of the Eastern Group Supply Conference and not with the Eastern Group Supply Council.

THE HONOURABLE DEWAN BAHADUR SIR A. RAMASWAMI MUDALIAR: The Eastern Group Supply Conference merely recommended that an Eastern Group Supply Council should be constituted which will watch and see that the requirements of the Mid East Armies were satisfied by the group of countries that were associated at the Conference. It was for each Government to decide what they would supply and how much they would supply. The only limiting factor was the time that was required in making that supply. I know that there is a great deal of apprehension and misapprehension that somehow or other India would not be required to start industries or to make supplies from those industries. As I said, time is the only limiting factor and there is no other consideration in suggesting which countries should supply which articles for the Mid East Armies. As a matter of fact we have reports, the pink reports of the Supply Department show, how many indents have been received from, say, New Zealand, Australia, South Africa, for various manufactured articles. Similarly if we are not in a position to supply as expeditiously as the Defence Services require a particular article we would not wait till months elapsed and that supply is found in this country, but we would get it where we can as soon as possible. That leads me to an observation made by my Honourable friend about the reply the Commerce Secretary gave some time back. That reply has been quoted by many newspapers and reference has been made in this House more than once. My Honourable friend the Commerce Secretary said in connection with shipbuilding that Government had no intention of encouraging shipbuilding as a part of the war effort. The emphasis lay in that last portion — "as a part of the war effort", because we felt that if we were not so unhappy as to have this war dragging on for more than three years, no ship built at that shipbuilding yard could be ready before three or four years. That is why my Honourable friend said that it was not the intention of Government to encourage it as a part of the war effort. But the Government of India, as has

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been stated repeatedly, has done everything possible to encourage that ship-building programme. It is not merely by leasing sites but by using its good offices with the Government of the United Kingdom and by supplying the very essential steel which otherwise would not have been supplied to any other industry under present conditions that we have been helping the starting and the progress of the shipbuilding yard. My Honourable friend referred to the machine tool and chemical industries and asked what Government was doing with reference to these things. So far as the machine tool industry is concerned, my Honourable friend realizes that it is a very difficult industry. The men we require are technically trained men. For the first time the Government has followed the policy of training these young men at various institutions and engineering colleges. The recommendation of the Royal Commission was that men should be trained particularly for this purpose. But that recommendation was not carried out. Industry became a Provincial Subject as early as 1920 and there is no use of blaming the Government of India for not carrying out that promise. Fortunately at the present time owing to the necessity that has arisen the Government of India itself has taken over that matter out of the hands and the control practically of Provincial Governments, subsidized the whole of this training scheme and with the co-operation of the Provincial Governments and the Universities and various engineering and technical institutions, these men are being trained just for that purpose, so that—

THE HONOURABLE SIR MUHAMMAD YAKUB: Do you mean to say that the Congress Governments did nothing to improve our industries during the two and a half years that they were in power?

THE HONOURABLE DEWAN BAHADUR SIR A. RAMASWAMI MUDALIAR: My Honourable friend has a better acquaintance of Congress Governments than I have for I was 6,000 miles away during their regime.

It is my hope, as I have already said, in connection with the planning for readjustment at the end of the war that we may be better able to account for the development of the heavy engineering industries and particularly the machine tool industry.

Coming to the chemical industries, I may state that my Honourable friend the Leader of the House is better acquainted with the subject than myself. Several chemicals and drugs are perforce being manufactured in this country. Particularly with reference to drugs, the main thing that is needed is that they should be certified as being proper and that wherever governmental institutions can take these drugs, they must take these supplies. The drug industry had not developed till the outbreak of the war to that extent to which it might have developed, because Provincial Governments were as chary as any other persons perhaps of buying many of those drugs that were manufactured in this country or were capable of being manufactured in this country. Now, thanks to the policy that is being pursued and to the vigorous efforts that have been made and are being made by the Director General of the Indian Medical Service to see to it that as many drugs as possible are manufactured in this country and are purchased by various provincial hospitals and for the armed forces of the Crown, the drug industry has received a fillip for which I am sure the manufacturers are grateful. My Honourable friend asked a very pertinent question whether this development can be continued after the war, whether we may not come back to the old system of importing these things. So far as I can see, I can see no prospect of such a thing. I hope that once this drug industry has

established itself, as it has, and Government hospitals and the Defence forces are taking these supplies now as being quite suitable for all their purposes, there will be no question of going back on this position and that we will not revert to the position of having to import these things when once the war is over, and, if I may say so, I do not think that the medical authorities in this country will contemplate such a step at the end of the war.

My Honourable friend referred particularly to sulphur and sulphuric acid. I have not got the time at my disposal to go through the long list of drugs which are being manufactured in this country at the present time in the manufacture of which the advice of the Medical Directorate has been most helpful in many cases. But I would specially refer to sulphur and sulphuric acid as my Honourable friend has mentioned these. With reference to sulphuric acid I may say that there is no difficulty whatsoever in the quantities that we can obtain at the present time. I realize the absolute necessity of sulphuric acid for many of our industries, and I may say that we can produce all the sulphuric acid that is necessary for the country. The difficulty is one of containers for the sulphuric acid, one of transportation. We have not yet been able to find the material which could be manufactured in this country to transport this sulphuric acid, and that is now engaging the attention of the Medical Department.

So far as sulphur is concerned, Sir, I have personally interested myself in this subject, and I may say at once without wearying the House with details, that we are in a position now to get about 30,000 tons of sulphur from various mines in British Baluchistan, and that indications are that more will be available. The Geological Department has been at work. Two parties have been specially detailed for the purpose, they have excavated sulphur almost in a pure state, and we hope within the next few weeks to place that sulphur on the market and to make further investigations for larger supplies of sulphur.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Does the Honourable Member expect 30,000 tons of sulphur annually?

THE HONOURABLE DEWAN BAHADUR SIR A. RAMASWAMI MUDALIAR: No, Sir. The surface deposits which have been investigated show 30,000 tons, but more is available and investigation will further be made in the lower strata and other places for a larger supply of sulphur. Our investigations have shown that 30,000 tons of sulphur are available from that particular soil. More investigations are in progress. I do not think I have got the time to go into greater detail on the many points that have been raised. I referred to the Inter-departmental Committee with which in course of time may be associated in one way or another industrial experts. I also spoke about gaps that may have to be filled up and the survey that may have to be made with reference to those gaps. In my speech in the other place I detailed the ideas that I have had in mind, and I hope that when that survey is made we shall be in a better position to advise industrialists as to what industries may still be started and how lop-sided development of industries may be overcome. I said in that connection that many of the technical industries are not able to complete their production because they lack some essential small things, and it is my hope that when this survey is made those articles which are necessary for the greater development of our industry will also come into production.

One last word, Sir, that I should like to say; and that is with reference to what my friend Mr. Shantidas Askuran said about the Fiscal Commission, and my Honourable friend Pandit Kunzru also referred to it. They both referred to the fact that the Commerce Department have agreed that protection should

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be given to specific industries which we consider necessary to start during the period of the war either to fulfil the war requirements or to supply the essential needs of the civilian population. Under that heading we have issued notifications guaranteeing protection after the war for a certain number of industries. One of the most important regarding which we have recently issued a notification, a key industry if it may be so called, is the production of aluminium in this country, and I am in full hope, having given all the assistance that we can for that particular venture, that within a very short time we may be able to see that aluminium is produced in this country. I have referred to the fact that the Fiscal Commissions' recommendations involved a continual watch over the protected industries. I would like to say one thing with reference to that. My remarks have been misunderstood as implying that I want the protected industries to be pulled by the roots every six months for investigation. That was not what I had in mind. But I certainly had it in mind that once a period of protection was granted to industry—at the present time there was no machinery to watch how the industry was functioning—and with reference to one or two of these industries we had come into trouble because there was not that permanent machinery, it was essential, as the Fiscal Commission had recommended, that there should be that machinery to watch the course of the activity of the protected industry. But there was another factor which I had in mind and which I should like to explain. I said that at the end of the war conditions may be so chaotic that none of us can foresee what those conditions are. It may be that at that time quick remedies may have to be resorted to: and it seems to me that that is the time when one may consider the question of some sort of permanent machinery which will have to watch both from the point of view of any dumping that may take place from other countries, which will, before the elaborate machinery of the Tariff Board begins to function, absolutely kill the particular industry which is in existence, and from the point of view also of watching the course of the protected industries themselves. From both points of view, as I said in my speech, both with reference to the increase of any margin of protection or the lowering of any margin of protection, that sort of permanent body may have to be brought into existence. We have not yet decided what sort of body it should be, and I certainly feel that this is not the time when such a body should come into existence. But I think the problem is there and that some sort of body which would be more permanent in character, more expeditious in its methods of dealing with the question, and more ready to make recommendations regarding particular industries, either with reference to the margin of protection or otherwise, may have to be brought into existence, and I trust that at that time we shall be ready for the constitution of such a body. I trust that after these remarks my Honourable friend will find it possible to withdraw his Resolution.

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

The Council reassembled after Lunch at Three of the Clock, the Honourable the President in the Chair.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan): Sir, the Honourable Dr. Kunzru has moved a Resolution which ought to be of a non-controversial character. I am very sorry that I had not the pleasure of hearing the Honourable Sir Ramaswami Mudaliar and I do not know exactly the line that he took. But I hope that it is not a line of opposition.

Sir, the question of industrialization has not only war-time interest but a permanent interest. We have an expanding population for whom we have to find vocations. It is common knowledge that our standard of living is extremely low and a purely rural economy will not help us to raise the standard of living of the vast masses of this country to the extent to which we want it to be raised in this country. One of the peace aims of Britain and the democracies as enunciated by President Roosevelt is that men should be able to live in this world free from want. Freedom from want is to be one of the peace aims of Britain after the war. Therefore, the question of post-war reconstruction ought to be approached from this point of view of the peace aims of the democracies. We have in this country increasing middle class unemployment, and if I may be permitted to say so, my own view is that this middle class unemployment is not due entirely or mainly, as has often been suggested, to a defective system of education. Education perhaps is defective in certain respects. But, even if you were to reorganize your educational system, you would have this unemployment unless you changed your social and your economic system. Therefore, Sir, I think that in the post-war world we must think in different terms. The State must play a much greater part in the life of nations and communities than it has so far been doing. There must be and there will have to be much greater control over the industrial and economic processes of the community than there has been so far and we are, therefore, beholden to the Honourable Dr. Kunzru for raising problems which will effect not only India but the world after the war. Sir, this middle class unemployment is largely due to the fact that we have no balanced economy in this country. We are primarily dependent upon agriculture, for agriculture is our mainstay. We have not struck the balance between agriculture and industry in this country. Industry, therefore, needs to be emphasized. I do not want to go into the question whether we should retain the system of private initiative. It may be necessary for us to retain the system of private initiative to some extent or other. But we shall have to experiment in new directions also. It is for this reason that I think that the question of post-war reconstruction should be considered by the Government in this country. In England, His Majesty's Government are devoting attention to the question of post-war reconstruction. They have appointed a Member of the inner Cabinet, of the War Cabinet, to be in charge of post-war reconstruction problems. Mr. Arthur Greenwood is the Minister in charge of the problem of post-war reconstruction. My definite suggestion is that there should be a Ministry of Reconstruction in this country. There should be a Member of the Executive Council in charge of these post-war problems. We should have an Economic Advisory Council to advise this Minister of Reconstruction. We had Sir Arthur Salter some years back in this country and he suggested what the constitution of such an Economic Advisory Council should be. I should have representatives on that Economic Council of Agriculture, Commerce, Industry and Trade, Labour and all the interests that are vitally affected by the issues which will be dealt with by the Ministry of Reconstruction. In the United Kingdom, His Majesty's Government are thinking out plans ahead for the new industries which were started during the war. They are busy with plans which would enable an easy transfer from war time economy to peace time economy. Ministers, economists, industrialists and labour leaders are busy discussing and evolving plans which would enable Britain to meet the difficulties of the post-war era. We may have a slump, as we had soon after the last war, after this war also. What are Government doing in India? How do they propose that the transfer from war time industry to peace time industry should be effected? Sir, we have the example of 1918 before us. Industries started during the war collapsed after 1918 and a number of companies which

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were started during the period between 1914 and 1919 had to seek the assistance of the law courts for the purpose of liquidation. We do not want that sort of thing to happen. What was the reason for all this? The reason was that there was no plan. And when we are talking of planning we must be clear in our minds as to what we mean by planning. As I said, we are planning for an India which shall have a balanced economy and which will be able to utilize her raw materials and resources and that is the answer to the Honourable Mr. Richardson to her best economic advantage. We want the standard of living of the people to be raised. Now for this purpose it is necessary for us to consider what the fiscal policy of India should be in this period and after the war. The Fiscal Commission was appointed many many years back and we have to consider whether the time has not come for us to liberalize the conditions necessary for the grant of protection to industries which have a chance of success. If Germany and Italy and other countries had taken the line that protection will not be granted to any industry unless the raw material is obtainable in the country itself, Germany and France and Italy would never have been able to industrialize themselves. Here we have the advantage of raw materials in many cases and what are we doing to utilize that raw material? I think the conditions laid down by the Fiscal Commission need to be revised in the light of what other countries have done.

Sir, I will invite the House to consider the case of two industries which I regard as industries of basic importance. I will take the cases of the automobile industry and the shipbuilding industry. Now, Sir, the automobile industry we know is well and heavily protected in other Western countries. In Italy and in Germany there is an 80 per cent. import duty and 28 per cent. construction bounty. In France there is a 100 per cent. import duty. In Japan there is a 100 per cent. import duty. In India the past history has been one of evasions and lip sympathy. In 1938 the Government said that under the Fiscal Commission's policy of protection the industry must be established before it can be protected. I think a question was raised by the Honourable Dr. Kunzru in the last session of the Council of State or the session before, and the Honourable Commerce Member said that there was no desire to impede the plans for an automobile industry. But, Sir, I would like to draw the attention of the House to this word "not impede". There is a difference between "not impeding" and actually "encouraging". Government do not want to impede but Government do not want to actively encourage. That is the main charge against them. Industries cannot be built up on statements. They cannot be built up on expressions of sympathy; they cannot be built on promises which are not intended to be redeemed. The industry has secured the support of the Mysore Government. It was unable to secure the support of the Indian Government, and the question is, now that the industry is going to be started what is Government going to do with this industry? This is, I submit, the most important point. The other day the Government spokesman in the other House estimated that about 60,000 cars will be required in India for military purposes alone. Well, assuming that you purchase these cars from abroad, they will in time have to be replaced, in three or five years. How are you going to replace these cars? You will need perhaps 12,000 cars after three or four years. Then where are you going to purchase these cars? Are you going to purchase them from India or are you going to purchase 6,000 from India or 3,000 from India? Is there any indication of your policy that you can give? Is Government prepared to place an annual order of, say, one, two, three or four thousand cars which will be needed for replacement purposes? Sir, I would like to have a "Yes" or "No" to this question.

Then, Sir, I should like also to say one or two words about the shipbuilding industry. The other day the Honourable Sir Alan Lloyd said that Government had no intention of encouraging shipbuilding industry in this country as a part of the war effort. I want to know whether India requires any ships for her defence? What has been the policy of Australia, of Canada, and of New Zealand in regard to shipbuilding? Is it not a fact that all the Dominions, particularly Canada and Australia, are doing their utmost to build ships and more ships of all types? Well, if the Dominions, why not India? The answer to that question is that Canada and Australia are virtually independent countries with independent powers. India is not a Dominion. Sir, I ask those who are responsible for the defence of this country whether they are doing everything to strengthen the defences of this country by this niggardly policy towards the shipbuilding industry? If it were made known to the United States that the shipbuilding industry is needed in India as a part of England's war effort, I do not know, Sir, whether the Lease and Lend Bill will not be used to give us facilities for the purchase of the necessary plant and machinery. I therefore ask Government this categorical question: Are you prepared to recognize shipbuilding as a part of your war effort or are you going to allow yourself to be dominated by certain interests which have never been friendly to the shipping industry in this country? The case of heavy chemicals was referred to by the Honourable Mover of the Resolution. All these questions require careful consideration; they require careful working out; they require a Ministry of Reconstruction; they require planning and the first essential so far as planning is concerned is that we should have proper economic data. It was suggested by the Robertson-Bowley Committee that there should be a proper economic census of India. Has Government taken any steps in that direction? Sir, we hear our friends saying they are in sympathy with industrialization, but as I said the other day in connection with the constitutional issue in this country, what is needed is action. Sympathy has no meaning for us. We do not understand that word sympathy. If you could drop that word out of the English language the English language would be richer and purer. Many sins are committed in the name of sympathy. We want therefore a definite plan and we would like Government to be more concrete, to be more active and I regret to say that we have had no evidence of any active encouragement of Indian industry on the part of Government. The Honourable Mr. Richardson said that if your exports go down your imports will go down. That was I think his line of argument. He says, that if you industrialize and if you do not allow your raw material to be exchanged for industrial products from European countries, your exports will go down; the answer to that is, if our industries expand, there will be a new market for our exports in our own country—

THE HONOURABLE MR. HOSSAIN IMAM: That does not follow.

THE HONOURABLE MR. P. N. SAPRU—and it is only the surplus about which we shall have to bother.

These are all the observations that occur to me on this Resolution and with these words I would like to give the Resolution of Dr. Kunzru my strongest support.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to support the Resolution which has been

[Rai Bahadur Lala Ram Saran Das.]

so ably moved by my friend Dr. Kunzru. I feel sorry that the Honourable Mr. Richardson did not support the Resolution, and the Honourable the Commerce Member was not prepared to accept it though in his speech he supported it. My Honourable friend Mr. Richardson has observed that it is a provincial subject and so he considers that it may be dealt with by the provinces. I hold that when the Government of India has Commerce and Industry as one of its responsibilities and also for that reason they have a Cabinet Minister for those subjects, why should such all India matters be referred to Local Governments? My own impression is—and I think I am right in holding that view—that in certain provinces industry is being discouraged, more discouraged than at the centre. For instance, take the case of the Punjab. On the one hand it is said that Government wants to help the agriculturist, on the other hand they are not encouraging industry and thus depriving the agriculturist of a better price for his produce.

Sir, during the course of my speech on the Finance Bill I referred to the fact that His Majesty's Government was not so generous to India as it was to other Colonies and Dominions in the matter of purchase of raw produce. I would like the Honourable the Commerce Secretary to tell us whether or not the Government of India approached His Majesty's Government for treating India similarly to the other Dominions and Colonies? Even a non-Empire country like Egypt was over generously treated in the matter of the purchase of all the cotton crop produced there at a higher price than ruled in the past cotton season. Why was not India treated in that way? Did the Government fail to impress His Majesty's Government on that point? Does that not affect the prosperity of our agriculturists? Then, Sir, the second point which I raised and on which I hope the Honourable Sir Alan Lloyd will throw some light is why exportable quota of sugar from Australia, from Mauritius, from Canada, from South Africa, was taken over by His Majesty's Government at higher prices and those countries allowed to export two lakhs tons more than their International quota at a much better price. Did the Government of India fail also in impressing the point? The sugar industry is mainly an agricultural industry and it is now well known that that industry is dwindling down. That means that the big capital which has been locked up in that industry is proving a profitless investment. How does the Honourable Mr. Richardson say that the Government of India have done their best to support industries? I have given concrete examples and I wish the Honourable the Commerce Secretary would throw some light as to why India is treated differently from other Colonies by His Majesty's Government and why was India treated differentially. The Honourable Mr. Richardson has also said that the prosperity of the country lies in its exports. I admit it, Sir, but when we can consume all our produce in India by establishing industries, India must gain better prices for its raw produce than what it is gaining now. Why should Indian produce go to foreign countries, be manufactured there and then sent back to India? I fully appreciate that Government was good enough to get Tata industry established in India. I pay a tribute to the promoters of Tatas for the great service that they have done to India. If Tata's steel works had not come into existence during the last war the Government of India would have had to face a greater difficulty than they did and we would have to face much more difficulty in the present war. Why should Australia, a country which is too far away from most of the British Colonies and Dominions be given preferential treatment by subsidizing them in establishing shipbuilding? Why should not similar assistance be given to Indian ship-

building. I thought that the Honourable the Commerce Member would have seen his way to accept the Resolution or even to amend the Resolution according to his desire if there was any necessity. It practically shows, Sir, that although the Government claims to be a great supporter of industries, in practice they are discouraging industries. Therefore, Sir, I would beg the Government not to refuse acceptance of the Resolution, and to accept it in some modified form, so that those countries which are watching the behaviour of the Government of India may know that the Government of India really mean to support its industries.

Sir, my Honourable friend Dr. Kunzru suggested certain industries for governmental aid and as he did not take all the industries together, therefore it will be easier for the Government to accept the Resolution, because acceptance will be confined to certain industries which the Honourable the Mover of the Resolution has indicated. Sir, I see the apathy of the Government, if I may be allowed to say so, in imposing an excise duty on rubber tyres and tubes. This industry, Sir, was established in Calcutta mainly by the Dunlop Rubber Company and the Goodyear Rubber Company. The intention of the promoters of these two companies was that Indian labour be employed and that import duty be avoided. But, Sir, notwithstanding the fact that the United States of America are giving on an increased scale big help to Britain, the British have not been good enough, in imposing without increasing import duty an excise duty on the tyres and tubes thus putting out Americans who have established industries in India. Is that how the Government of India help industry? I would say no, Sir. They are encouraging the industry only by platitudes and not in practice. The only industries which they encourage are those industries which are now being given protection. Sir, you know what the plight of the cotton industry in India has been by Government allowing Japan and other countries to dump their goods. I would request that Government should either give grants, lend money at cheap interest or contribute a part of the capital for those new industries which Government is convinced that they are bound to pay.

Sir, owing to the high taxation and on account of economic depression people have not much spare funds left for the establishment of new industries, and until and unless they are assured that after the war there will be a council for industrial reconstruction they are not prepared to take risks. Will the Government of India come forward with some sort of assurance or some sort of guarantee as regards the assistance these industries will get from the Government of India after the war when the slump is bound to come?

Sir, we were some time back rather short of bleaching powder, comparatively a small industry. We are now feeling that on account of the Government demand for munitions and for other stores industries cannot get sulphur. I would urge upon the Government kindly to see that a sulphur colours industry is established in India. My friend observed that machine-making industry requires a lot of looking into. I would say, Sir, that my information is that Messrs. Birla Brothers in conjunction with other business magnates have gone thoroughly into the question of the manufacture of textile and other machinery: and if Government come forward with expert advice and contribution or assistance, that industry will thrive, and now as various industries are finding great difficulty in the importation of machinery, it will make India partly self-contained and will allow it to better serve the Government in time of war to the best of its capacity.

I find, Sir, that Government has placed orders for shipping vessels even in Mexico, a country which is not an Empire country, though they have not seen

[Rai Bahadur Lala Ram Saran Das.]

their way to subsidize the shipping industry in India. I pay a tribute to the late Mr. Tata and to Mr. Walchand Hirachand for their great enterprise and for making investigations about certain key industries which India greatly needs. I would say, Sir, that the Industrial Research Institute which is now working should find out which these industries are, and would recommend to Government either for a subsidy or a grant to these industries.

I will not take up the time of the House for long, Sir, but I would like to add that there is a setback being given to the coal industry in India. My Honourable friend Mr. Richardson will support me when I say that the coal industry is dwindling down. Even at this time of war the colonies are not doing as well as they might have done. Sir, it is all right to say "Stimulate the war supply". We all want to stimulate the war supply, but we want Government that in addition to the Ordnance factories which they have themselves established, they must subsidize or assist other industries which will provide the war supplies as well as make India self-contained.

My friend the Honourable Mr. Sapru spoke about the aeroplane industry which has been established at Bangalore and for which I pay a tribute to Sir Viswesvarayya and Mr. Walchand Hirachand. An automobile industry for the construction of motor cars can easily be associated with it, and in case Government gives some sort of patronage by placing orders for certain number of military lorries, that company can flourish and India become self-contained as far as the automobile industry is concerned.

Sir, I do not want to take much time. I would only request the Government to see their way to accept this Resolution. If they cannot accept it as it is, they might accept it in an amended form.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, the Resolution which Dr. Kunzru has moved is a very important one. It has tried to concentrate attention on a matter which is of very great importance not only for the future, but for the present as well. Sir, the discussion has ranged over so many items that it is not possible within 15 minutes to refer to all the subjects that have been brought forward. But I find that there is at least one common ground between the Government, the Europeans, the industrialists and the opposition Members. *It is that we must have a balanced economy.* That balanced economy presupposes a certain amount of desirable ends. What is the balanced economy which you wish to introduce? It is a thing on which much can be said from the one side or the other. While the industrialist may say that balanced economy means that we should be able to manufacture most of our requirements inside the country, the agriculturist may say that balanced economy means that we should have a market for all our surplus raw produce. Yet other financiers may say that balanced economy may require that India should be completely self-contained, not having any imports and not having any surplus to export. All these things can be urged by different interests. But, when I said that there is unanimity on this theory of balanced economy I referred particularly to the fact that even industrialists are now realizing that the prosperity of the country depends on the prosperity of the agriculturist, because he is the potential buyer of industrial products, and if he is not prosperous, the result will be that you may be able to produce everything but you may find no markets. The present world problem of the day is not the want of productive capacity. The productive capacity is there. The requirements are there. But it is only the means to purchase those things which bring about this disequilibrium. We must concentrate our attention on finding out

what is the desirable end in view; how much we can rely on consumption of our own goods, and how much will remain as surplus for export. The Honourable Mr. Sapru referred to an instance and the Leader of the Opposition also referred to another instance. I would refer to the cotton industry. Between the close of the last war and today, there has been almost a doubling of production. But have we been able to consume all our cotton production? Or, has the consumption of Indian cotton increased in the same proportion as the production of cotton textiles? Has the labour increased *pro rata*? Because we have to rely on Uganda cotton for finer clothes, it does not necessarily follow that by expanding the industry you will be able to consume your own raw goods. There are occasions when the requirements of an industry are not the same as that of the agricultural production. Look, for instance, at jute. We have almost a monopoly. The capacity to produce is there. Yet we have to restrict production because there are no markets. This has resulted in the Provincial Government restricting jute cultivation. The question arises, "You have restricted jute cultivation; what is to be substituted for it?" There is a very good substitute if we had planned economy. We all know that we have to import Rs. 10 crores worth of rice from Burma. If we are to be self-contained, jute is produced in the same soil on which you can grow rice also. But is there a direction? Is there a Board? You have a Brain Trust in America. Have you framed anything on the lines of the American plan when they started this New Deal? They started to consider everything in its proper perspective. The trouble with us is that the Government are either too sure of their facts and think that they have nothing to learn or they think that every one who makes suggestions is not competent to give advice and those who are regarded as competent to advise are thought to give interested advice. *The result is that the policy of the Government is that inaction is the best line of action.* This is a natural phenomenon in having a bureaucratic Government which does not feel that it has the public support and cannot advance and take steps with that degree of confidence in itself which a Government responsible to the people can do.

THE HONOURABLE SIR MUHAMMAD YAKUB : Do not the Government do their best to appease the Congress?

THE HONOURABLE MR. HOSSAIN IMAM : Well, Sir Muhammad Yakub knows how much they had done in the past to appease the political parties. They are not appeasing the Congress now. They are doing everything in their power to throw the Muslim League in the same welter into which Congress is finding itself and I think they will very early succeed in ranging us both against the Government.

Sir, I do not wish to dilate much upon this aspect of the question. I was saying that two examples were cited to us. The rubber tyre industry was established in India without receiving a great deal of protection. It had only a 25 per cent. revenue duty to fall back upon. That was enough to establish the motor rubber tyre industry in India. But, for establishing an automobile industry, even the 50 per cent. effective protection, which is now being given to it, is not enough. I say 50 per cent. because if you consider that in addition to the duty, you have the shipping charges to pay, freight, packing, insurance and all these things, and coupled with it there is the 33 per cent. duty, not on the factory price but on the landed cost. If you examine all these, you will find that we are giving a 50 per cent. protection to any automobile industry that may start. If that is not enough to start that industry, I doubt whether you can start the industry without very great cost

[Mr. Hossain Imam.]

to the consumers. Here I should like to know what the policy of the Government is. Are they prepared to support industries which are the monopoly of certain people? An industry, to be protected, must be broad based. It must be a public company. The least that you can do is to have a public company. It is wrong policy when you substitute for the white capitalist a brown capitalist. I think he is rather more dangerous, because I can whip up the support of others when I have to fight a white capitalist, but in the case of a brown capitalist I am placed in difficulties.

THE HONOURABLE SIR DAVID DEVADOSS : Pakistan comes in !

THE HONOURABLE MR. HOSSAIN IMAM : No, Sir. It is not a question of Pakistan which is always on the mind of Sir David Devadoss because he has no Xstan of his own. I was saying that the question is not this. The question is that the Government must realize, and I think the Honourable Commerce Member indicated that the Government does realize, that the days of *laissez faire* are not only gone as far as trade is concerned ; it is also not possible to have it even inside the country. Civilisation is becoming too complex for individual capitalists to fight it out. They must have the support of the State. Naturally the State must also have certain rights. Therefore I wish to state certain principles to guide us in the matter of planning industrial development for the future.

First of all was the condition I stated before, that industries in order to receive protection must be public companies. They should not be private monopolies unless money is not forthcoming.

Secondly, the industry should be of a key character and essential for the well being of the country, and it should be subject to a certain amount of Government control in the control of profits as well as in the management. Supervision by Government in the management is essential if an industry is given protection for the future. And there I agree with the demand that has been put forward that protection should not be given after the establishment of the industry. If the industry is essential it might be promised protection even before it is started. As has been stated by Sir Ramaswami ; it has already been done in the case of aluminium, and I think it is a correct departure.

Thirdly, Sir, there is the very big question of how to check uneconomic competition inside the country, inside geographic India. You have on the one hand the Indian States where industries are not subjected to the same amount of labour regulations, the same amount of taxation or the same amount of other controls. An industry started in an Indian State competes with our industry on unequal terms. A company to give 10 per cent. profit in British India has to price its goods at a certain level, whereas the same profit can be earned in an Indian State at a lower price level, because they have less to pay. That is an aspect of the question which has not received the attention which is due to it. *The question of competition from Indian States is a very important consideration, and I think it should receive all attention from the Government not only after the war but even during the war.*

Then, Sir, the *fourth* item in my programme is that Industry should not in any way affect the agricultural prosperity of the country ; because agricultural goods which are being consumed inside the country or are being exported now should not lose their market. If we stop the imports from other countries

it naturally follows that our export will dwindle. I do not say it will be in the same proportion. There may be a time lag or a substitution lag. (*An Honourable Member* : Prices will go up.) Prices will not go up. They will go down when you find you have no market. I will cite the instance of half-tanned leather. The British Government is doing nothing for it. The Government in the last war bought over all the half-tanned leather. This time they are neither giving us shipping space nor taking over the supplies. That would not be possible in any country which has a balanced and planned economy. His Majesty's Government has got shipping enough.

THE HONOURABLE SIR ALAN LLOYD : No.

THE HONOURABLE MR. HOSSAIN IMAM : I will cite you instances where the thing has been misused.

THE HONOURABLE THE PRESIDENT : I would cite you the fact that your time is up.

THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, Sir Alan Lloyd has questioned me and I have to reply to it, and I think that this time should be excluded from my allotment because I am serving the Government. Sir, I was saying that shipping is found to take back troops from the Near East theatre of the war to Australia. A large number of troops were sent back. They had not stayed out for a very long time and they did not fight much, it was in the normal course of replacement. There are other instances where shipping is available but it only depends upon whether the demand from one particular Government is more insistent. If the Government of India were as insistent in their demand for shipping as the Colonies are, I am sure they would have received it. There is another way in which they could cure the evil in this particular case. They could change the specification of the military boots they are making. They insist that it should be fully tanned leather, and our half-tanned leather can neither be converted into fully tanned leather nor can it be sent out. You have an unbalanced economy.

Then, Sir, I find that even our export and import figures do not give us a correct idea of the condition of our trade, because it is so much overshadowed by the orders and supplies of His Majesty's Government and the Government of India. Your export figures might show a rise, but that does not mean that your agricultural produce is finding a bigger market. It simply means that our arsenals are sending out munitions and other materials in larger quantities. If your import figures are high, that does not necessarily mean that India's capacity to purchase has increased. It only means that His Majesty's Government's supplies, many of them free, are coming in larger numbers. So the figures on which we used to base our calculations of prosperity are, at the moment, due to the exigencies of the war, unable to give us any real guide. What we know is this, that agricultural produce in India, and notably jute and cotton, is not finding enough of a market. There is a curious unbalance in one case, namely, cotton. One of the cotton varieties is going higher and higher whereas the others are not looking up. It is due to the fact that the Bombay mills consume that particular variety of cotton—I am referring to Broach. I was saying that it was not only in the post-war period that you want to have a balance. Investigation would even now be an advantage. If you had a full figure of what and how much you want and what are the things in which you are deficient, it will accelerate the pace of war efforts. I will just cite one instance and then close. As you know, all our munition supplies are dependent on machine tools. The House knows perhaps that tungsten

[Mr. Hossain Imam.]

steel for cutting instruments is a very essential part of our equipment. That could be manufactured in India, I know of one place where it is being manufactured in India, but they are unable yet to manufacture it in large quantities except for their own personal use. I say, Sir, that the Government in order to prosecute the war ought to have a survey and find out exactly where we have got bottlenecks, and the information collected now should be correlated with what should be done in the future. It is not only for the future that we are worrying; we are worrying for the present as well.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Mr. President, the course of the debate has shown that Government have the same object in view as I have in moving my Resolution. My Honourable friend Mr. Richardson has, however, caused a rift in the lute by opposing the demands contained in the Resolution. I must say that his attitude came as a great surprise to me. If it is at all indicative of the attitude of the European community, I am afraid that it is not likely to create the friendly feelings that ought to prevail between Indians and Britishers. I will examine for a moment the arguments which he used to justify his attitude. The burden of his speech was that we must bear in mind that a large part of our export trade was accounted for by the export of two commodities, cotton and jute, and he was afraid that the interests of the agriculturists connected with these two commodities would suffer if a policy of industrialization were followed. I do not know how he came to this conclusion. The natural result of industrialization ought to be a greater demand for agricultural products in the country. Had I asked for the stoppage of imports of all manufactured articles, if I had recommended economic isolation for India, his argument would have been absolutely sound, but I took care to point out at the very beginning of my speech that what I wanted was a balanced economy. I am not at all in favour of what might be called a one-way traffic in trade. This is scarcely possible at the present time, but I am not sure how any of the dire results feared by Mr. Richardson would follow if my Resolution were accepted. If the industrial progress of the country were greater than it is today, would that be a matter of regret to Mr. Richardson or to the members of the European community? Industrialization is taking place on account of the war. If the impetus given to it by the war is continued when the war is over, are we to regret it? Would Mr. Richardson and his friends ask us to take all possible measures in order to check the pace of industrial development and to return to pre-war conditions? It is hardly possible that anyone concerned with practical politics or with the economic prosperity of the country should ask us to be content with the present state of things. We are ourselves aware of the importance of protecting the agriculturists, but the experience of every country shows that agriculturists share in the prosperity which follows in the wake of industrialization.

There was another argument used by my Honourable friend Mr. Richardson to oppose my Resolution. He pointed out that the United Kingdom and the United States of America would be our largest customers after the war and he said it would be gross folly to overlook this fact which it was necessary for us to bear in mind in our own interests. In a world in which the exchange of goods is being more and more restricted, he argued it was necessary to realize fully the value of such big markets as those offered by the United Kingdom and the United States of America to Indian products. Has the industrialization that has taken place in this country tended to interfere

with the trade between India on the one side and England and the United States of America on the other? It has changed in some respects. But the United Kingdom and the United States of America have not thereby turned against us; they have not regarded our policies as hostile to them. Realizing the value of industrial development, having taken all steps in their power to advance themselves industrially, they cannot but look upon our efforts to raise our standard of living and utilize a portion of the materials that we produce ourselves with sympathy. The objections that were urged by the Honourable Mr. Richardson seem to me to have no force unless he wishes us to continue to be a supplier of raw materials not merely to England but to every industrially advanced country in the world.

There is just one more argument which I should like to deal with before I resume my seat. My Honourable friend Mr. Hossain Imam complained of the difference in the burdens which industrial companies in the States and British India had to bear. That is a difficulty that exists at the present time. The industrialization of the country will not place us at a greater disadvantage than at present. Steps may be taken to improve the conditions under which Indian business men have to work. But surely the industrial development of the country need not await the rectification of this grievance?

THE HONOURABLE MR. HOSSAIN IMAM : May I say on a personal explanation that I did not say "stop". I said this is a point which should be investigated and equalized. I supported your idea.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Let the question be investigated by all means. But let not the industrialization of the country be retarded because of the existence of this disparity between companies working in British India and in the Indian States.

Sir, the speech of my Honourable friend Sir Ramaswami Mudaliar, till he came to the end of it, was a complete justification of the Resolution that I have moved. It seemed to me that he was completely in sympathy with the objectives of the Resolution, and that he was trying to convince the House that Government had already adopted the policy which my Resolution asks them to follow. I naturally thought in view of this, that he would be able to accept my Resolution. But just before sitting down he said he hoped in view of the statement that he made, that I might be able to withdraw my Resolution. I am afraid I cannot comply with his request. His speech, as I have said, gives every reason for the acceptance of my Resolution. I still hope that the Government will change their view and will see the desirability of accepting a Resolution which is in no way out of accord with their ideas or with the measures that they have already taken. Sir, I must repeat that I cannot withdraw my Resolution. It deals with a subject of great importance, and I personally see no reason whatsoever why Government should be opposed to it. Their attitude on this question is absolutely inconsistent and we have every reason to complain strongly of it.

THE HONOURABLE SIR ALAN LLOYD (Commerce Secretary) : Sir, before I come to the very important passage with which the Honourable the Mover's last speech closed, I should just like to say two words. I do not think the House will wish me to deal at length with the previous speeches made this afternoon. The speeches made after lunch have all been in support of the Resolution, and the last speech before lunch was made by the Commerce Member in which, as the Honourable Pandit has said, the Commerce Member showed himself to be very completely in sympathy with the objectives embodied

[Sir Alan Lloyd.]

in the Resolution and catalogued a number of measures taken or to be taken by Government which were calculated to achieve the ends which the Honourable the Mover has in view. I therefore do not think the House would wish me to comment upon speeches that were made in support of that Resolution. I must, however, answer, or refuse to answer, one or two specific questions that have been put to me. My Honourable friend Mr. Sapru asked for a categorical answer to the question whether the Government of India was prepared to guarantee the purchase of definite quantities of army trucks from the automobile factory that is to be set up in Bangalore. The attitude of the Defence Department on this matter has already been mentioned by the Honourable the Mover of the Resolution; and it is an attitude which I am confident was inspired solely by considerations of military efficiency. All I can say is that my information is that their attitude has not changed, and that the guarantee spoken of is not forthcoming.

The Honourable Mr. Sapru's second question, speaking of shipbuilding was as follows: "Are you prepared to recognize shipbuilding in India as a part of the war effort: or, are you going to allow yourselves to be dominated by certain unfriendly interests?" Well, Sir, that is a question I cannot consent to answer because it places me in an unfair and false dilemma. The Honourable Member might as well have asked me the classical poser, "Have you left off beating your wife?" If I may restate the Honourable Member's question more fairly I will answer it. "Are you prepared to recognize shipbuilding as a part of the war effort?" For the reasons that were given by the Honourable the Commerce Member this morning, the answer is in the negative. "Are you going to allow yourselves to be dominated by certain unfriendly interests?" The answer is again in the negative, because those reasons have nothing whatever to do with any interests, friendly or unfriendly. Then the Honourable the Leader of the Opposition first of all asked a question about the disposal of surplus agricultural products. I must ask to be allowed not to deal, here and now, with a subject so entirely remote from the question of industrial development. He then asked about facilities for the export of sugar which are at present prohibited under the International Agreement. The problem arose because that particular industry had developed to such an extent that it had a surplus production, which is hardly the sort of industrial development that speakers today have had in mind. However, the answer to the Honourable the Leader of the Opposition is that the Government of India, in spite of the existence of this embargo under the International Agreement, sought for and obtained permission for the exportation of 200,000 tons of sugar last year. Unfortunately, partly because our protective duty on sugar is so absurdly high (Hear, hear) as also were the cane prices, it was very difficult for the sugar interests in India to agree to a price which was in any sense competitive with other world suppliers, and before that problem could be solved the shipping position deteriorated so much that it was no longer possible to hold out hope that space could be found on ships proceeding to the United Kingdom for 200,000 tons of sugar. At the same time, the Government of India, hoping against hope, even if it is a forlorn hope, are in fact asking the Council under the International Sugar Agreement to renew the permission in case the situation is so changed as to make it possible for the export to take place. I think that the Government of India might certainly be said to have done all that was possible in war conditions in this matter. Well, Sir, now I will—

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: How did the Colonial and Dominion Governments obtain extra shipping and get the international sugar quota increased?

THE HONOURABLE SIR ALAN LLOYD: Well, Sir, to the best of my knowledge, the shipping position had not then become so acute: it became so towards the end of last year with India. As for the price difficulty, that may have been quite different.

Now, Sir, I will come to the closing remarks of the Honourable Mover of the Resolution. It is quite true, as he says, that the speech of the Commerce Member showed that he was in close sympathy with the objectives which the Honourable Mover has in mind. It did, however, appear to the Commerce Member that the wording of the Resolution, as it stood, went a little further than it was possible for the Government of India to commit itself to on the bare text without the context of the speeches, and particularly of the Honourable Pandit's speech. I won't labour this except to say that the most important difficulty is that if the Resolution were accepted as it stood, it would imply that the Government of India was prepared to usurp the functions of the Provincial Governments in respect of all industries. Under the Government of India Act, "Development of Industries" is a provincial subject and the Government of India can only take it up if a special declaration is made that it should be a Federal subject. The Government of India can, however, do a great deal and I think it will be agreed that it is doing a great deal to help industries in the way of co-ordination of efforts, collection of information, and of course tariff protection, a matter which impinges on the central subject of Customs. The text of the Resolution, however, would commit the Government of India to usurping all the functions of Provincial Governments and for that reason I would suggest that the Honourable the Mover might accept an amendment, fairly closely following his wording, but which will relieve us of that embarrassment. The wording I suggest is as follows:—

"This Council recommends to the Governor General in Council that he should review the industrial development of the country and, taking into account post-war conditions as far as possible, bear in mind the desirability of filling up the lacunae in the existing industrial system and of bringing about the co-ordinated industrial progress of the country."

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Sir, I prefer my Resolution to the amendment. But as half a loaf is better than no bread, I shall accept the Honourable Sir Alan Lloyd's amendment. I know that if I do not accept it, my Resolution will be rejected. But I do hope that Government will bear the purpose of my Resolution in mind and within the limits of the present constitution do all in their power to further the industrial development of the country.

THE HONOURABLE THE PRESIDENT: Amended Resolution moved:—

"This Council recommends to the Governor General in Council that he should review the industrial development of the country and, taking into account post-war conditions as far as possible, bear in mind the desirability of filling up the lacunae in the existing industrial system and of bringing about the co-ordinated industrial progress of the country".

Question put and Motion adopted.

STANDING COMMITTEE FOR THE DEPARTMENT OF SUPPLY.

THE HONOURABLE THE PRESIDENT: I have to inform the Council that as a result of the election held today, the following three Members have

[Mr. President.]

been elected to serve on the Standing Committee attached to the Department of Supply :—

1. The Honourable Mr. J. H. S. Richardson.
2. The Honourable Sir Rahimtoola Chinoy.
3. The Honourable Pandit Hirday Nath Kunzru.

STATEMENT OF BUSINESS.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House) : Mr. President, you will remember that this morning, two Bills, as passed by the Legislative Assembly, were placed on the table. One deals with the amendment of the Insurance Act and the other with the use of land for purposes other than agricultural purposes in the Province of Delhi. I understand that these Bills were circulated last night. Even so, if we take them up the day after tomorrow, the technical suspending of the Standing Orders will be involved. I understand that Party Leaders have no objection to that, and I hope, therefore, that you will be agreeable to this course and direct that the House do sit the day after tomorrow at 11 A.M.

THE HONOURABLE THE PRESIDENT : I am agreeable to the suspension of the Standing Orders.

The Council then adjourned till Eleven of the Clock on Friday, the 4th April, 1941.

COUNCIL OF STATE.

Friday, 4th April, 1941.

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.

CONTRACTS FOR WAR SUPPLIES.

183. THE HONOURABLE MR. N. K. DAS (on behalf of the Honourable Mr. M. N. Dalal) : (A) Will Government state what contracts for—

- (i) military stores,
- (ii) war materials and
- (iii) munitions

have been placed in this country, for the purpose of aiding Britain in the present war, as well as the equipment of the Indian troops sent overseas, distinguishing the categories of firms or concerns with which such contracts have been placed according as they are registered with Head Office—

- (a) in India, or
- (b) in the British Commonwealth, or
- (c) outside the Commonwealth ?

(B) What is the total value in money of the war effort of the Government of India, and that made by the several Indian States ?

(C) In placing such contracts, have Government made any conditions regarding—

- (i) training of Indian personnel, and/or
- (ii) Government's control or supervision over the processes of production guaranteeing quality and quantity, as well as delivery within a stated time, and/or
- (iii) participation in any surplus profits that may result from any such concern also utilizing part of its production for the normal civil requirements of the country ?

THE HONOURABLE MR. A. DEC. WILLIAMS : (A) As the number of contracts for war supplies runs into thousands, I regret it would not be possible to collect the information asked for without spending an undue amount of time and labour, nor would it be in the public interest to disclose this information.

(B) It is not possible for the Department of Supply which is concerned mainly with the procurement of supplies to give an estimate, in terms of money, of India's total war effort. The attention of the Honourable Member is however invited to the Honourable the Finance Member's Budget speech.

(C) (i) No.

(ii) Government do not exercise direct control or supervision over the processes of production so as to guarantee quality, quantity and delivery within the stated time. All this is secured generally by the terms of contracts which firms have to execute. Moreover, Government have their own inspecting organization which ensures that the articles delivered are of the required specification.

(iii) The question of participating in any surplus profits does not arise as the Department of Supply to the best of its ability sees to it that no firm is allowed to make excessive profits through Government orders. The normal civil requirements are always borne in mind and are allowed to be met unless there be other over-riding considerations connected with the war effort.

DEVELOPMENT OF INDUSTRIES.

184. THE HONOURABLE MR. N. K. DAS (on behalf of the Honourable Mr. M. N. Dalal) : (A) Will Government state what, if any, new industries have been started, or old ones expanded, in connection with, or because of, the war, in this country? What is the estimated output from such industries during the years 1940-41 and 1941-42?

(B) What arrangements have been made to provide the initial and working capital for these industries, where needed? Have Government assumed any liability or responsibility for providing any part of such capital? If so, on what terms and conditions, and in what form?

(C) Will Government state whether any monopoly, or other concessions amounting to a partial or full monopoly, of the supply of the articles has been given to any concern coming within the categories comprised in the preceding question, parts (A), (a), (b) and (c)—

(i) for the duration of the war, or

(ii) for any other period subsequent to the ending of the war?

Will Government lay before the House a statement summarizing the concessions and other terms and conditions of such contracts and agreements?

(D) How many of the enterprises coming within the categories comprised in the preceding question, parts (A), (a), (b) and (c) are owned or conducted by British Indian citizens, and how many by non-Indian citizens of the United Kingdom, or of any other part of the British Commonwealth? Have Government reserved any share in the profits of such concerns? Are they in any way liable for any part of the losses, if any?

THE HONOURABLE SIR ALAN LLOYD : A reply is being prepared and will be laid on the table of the House in due course.

ATTEMPTED DERAILMENT OF A PASSENGER TRAIN ON THE E. I. R.

185. THE HONOURABLE MR. N. K. DAS (on behalf of the Honourable Mr. M. N. Dalal) : Will Government state whether efforts have been made to trace the culprits concerned in the alleged attempt to derail a passenger train by sabotage on the Banki Railway Bridge on the E. I. R. on the 21st September, 1940? If so, with what result?

THE HONOURABLE MR. L. WILSON : Yes. One arrest was made by the police and the accused was charged with an offence under section 128 of the Railways Act. He was convicted by the magistrate and sentenced to four months' rigorous imprisonment.

STATEMENTS, ETC., LAID ON THE TABLE.

COMMERCIAL TREATIES AND NOTES AFFECTING INDIA.

THE HONOURABLE SIR ALAN LLOYD (Commerce Secretary) : Sir, I lay on the table a further list of Commercial Treaties and Notes affecting India.

Part I.

Agreement under which the products of India receive most-favoured-nation treatment on terms of reciprocity.

Countries which are parties to the Agreement.	Date of Agreement.	Nature of Agreement.	Description.	Remarks.
United Kingdom and Egypt.	15th and 22nd February, 1940.	Exchange of Notes.	Commerce.	These notes provided for the prolongation until 16th February, 1941 of the provisional Commercial Agreement concluded between these Governments by the Exchange of Notes dated 5th and 7th June, 1930.

Part II.

Agreements to which India is a party.

Nil.

Part III.

Denunciation of Agreements.

Nil.

DEATH OF SIR SUNDAR SINGH MAJITHIA.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I wish to deplore the loss of Sir Sundar Singh Majithia, who was a Member of the old Imperial Council. He was a great leader and we all mourn his loss. His services to the Sikh community were very large and the privileges which they now possess were mainly due to his efforts. He was the Revenue Minister in the Punjab Government under the Montagu-Chelmsford Reforms and even at the time of his death he was the Revenue Minister of the Punjab Government. Sir, his private life was characterized by geniality of manner, a generous temperament and simplicity of a high order. I knew him intimately because we were both students together in the Government College, Lahore. He was also an industrialist and possessed one of the biggest sugar factories in India; and so we came into close contact

[Rai Bahadur Lala Ram Saran Das.]

with each other over a long period. I beg to suggest to this House that a resolution of condolence be conveyed to his son and his family and also an expression of our deep sense of sorrow.

THE HONOURABLE THE PRESIDENT : Honourable Members, I was very sorry to hear of the sad death of Sir Sundar Singh Majithia. He was not a Member of the Council of State but he was a Member of the old Imperial Legislative Council from 1916 to 1919. As such he was a very popular Member and was very much respected. He identified himself with the cause of his province, and he did so rightly, and rendered good services to his province. He was Revenue Minister there and held various other appointments and was highly spoken of by his Honourable colleagues in the Council. Sir Sikandar Hyat Khan, the Punjab Premier, the other day paid him a well deserved tribute in the Punjab Assembly. I shall communicate the wishes of this Council and convey the sense of grief and condolence of this Council to his bereaved family.

DELHI RESTRICTION OF USES OF LAND BILL.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Education, Health and Lands Member) : Mr. President, I move :—

“ That the Bill to regulate in the Province of Delhi the use of land for purposes other than agricultural purposes, as passed by the Legislative Assembly, be taken into consideration ”.

Honourable Members will have observed from the Statement of Objects and Reasons that the Bill aims, first, at the control of building and, secondly, at the control of excavation in extra-municipal areas in the Province of Delhi. Such of my colleagues in this House as may have had the opportunity or the inclination to motor along the Muttra Road or the Kutab Road or the Rohtak Road will have seen that themselves that a certain amount of uncontrolled building that is going up, and what is more, that the landscape has been scarred and disfigured with masses of brick kilns. It is unfortunate that this evil should have been allowed to grow all this time with out any attempt at check or control. The reason is that we thought that New Delhi, within its present municipal limits, would provide ample accommodation for the growing population of Delhi. That however has not proved to be the case, and the pressure of the growing population both on the urban area of New Delhi and the urban area of Old Delhi and the Notified Area Committee is responsible for this drift outwards. Now, there are only two ways of handling this problem. One is to extend municipal jurisdiction. The other is to take *ad hoc* control by some measure designed for that purpose. As Honourable Members are aware, the first course would impose upon the municipality or local body concerned the obligation to provide all municipal services. That, in the rather sporadic state of the building that is going on at the present moment would be quite unprofitable ; indeed it will definitely entail a loss upon the local bodies. Therefore we had to consider this other expedient, namely, that of resorting to *ad hoc* legislation for the purpose of control. Honourable Members will note from the provisions of the Bill that while the State takes to itself power to control building and excavation outside these municipal areas which I have mentioned, it has attempted to provide, as far as possible, safeguards for the individual against the misuse of these powers. First, there is the provision for publicity in advance before an area is declared to be a controlled area. Secondly, there is the provision for

the making available to everybody concerned of the details and specifications of any area that may be brought under control. In the office of the Deputy Commissioner of Delhi and other suitable places this information will be available. Thirdly, there is provision for an appeal from the decision of the Deputy Commissioner to the Chief Commissioner in so far as any conditions limiting building or excavation may be concerned. Not only that ; we have looked at the problem not only from the point of view of the owner of a building or some one interested in constructing a building but we have also looked at the problem from the point of view of the agriculturist ; and Honourable Members will find in the Bill provision that, in so far as the construction of dwelling houses in agricultural sites is concerned, no conditions are to be imposed and that for the erection of buildings connected with agricultural purposes there is no intention to interfere with private initiative either. Fourthly and lastly I come to the question of compensation. There we have had to consider three possibilities. First, permission either for the construction or reconstruction of a building is asked and given ; then no claim for compensation arises. Secondly, in a controlled area permission is asked but given only subject to certain conditions. Well, we have provided in the Bill that the conditions to be prescribed are such as would be reasonable in the circumstances and they would generally follow similar provision in the Building Bye-laws of Municipalities. When we require an individual to conform to these Bye-laws, Honourable Members will agree that there again no claim for compensation arises. A claim for compensation would arise only if permission were refused and there what we have tried to do is to set in motion the machinery of the Land Acquisition Act, subject of course to this important social safeguard, that where any unearned increment as it were has accrued to an individual by reason of the fact that the value of his property has gone up by virtue of improvements effected by the State, he shall not get that unearned increment. That unearned increment really would accrue to the State which is responsible for the increment in the value of the property. Those, broadly speaking, Sir, are the features of this legislation, and I hope Honourable Members will agree that we have tried to strike a just balance between the claims and the interests of the individual on the one hand and the claims and interests of the community on the other. I have had suggestions made to me that certain provisions of this Bill are imperfect. Well, Honourable Members will appreciate that when we are undertaking legislation which is entirely new to the Statute-book of this country—ribbon development came to be controlled even in England only recently—Honourable Members will appreciate that we cannot, in such circumstances, achieve or even aim at perfection without some experience, and experience can only be gained by the method of trial and error. But one or two points of importance I should like to dwell upon. First, it has been suggested that the restrictive provisions that would follow upon a declaration made under the Act may apply to buildings which may be in the course of construction then. I would in that connection like to draw the attention of Honourable Members to the provision of sub-clause (5) of clause 6 of the Bill which definitely says that the Deputy Commissioner shall not refuse permission to the erection or re-erection of a building which was in existence on the date on which the declaration under sub-clause (1) of clause 3 was made, that declaration being in respect of control. I can give the House an assurance that the intention of that particular provision is that where a building is in existence on the date that a declaration for control is made, no permission will be necessary with regard to that. That building must automatically continue. If at some subsequent stage Government should decide to acquire the property, they will proceed in the ordinary way and there will be no grievance on the part of the individual concerned. Then, Sir, it has also been suggested in the

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amendments of which I have received notice that the definition of the word "Muslim" where it occurs for the second time in sub-clause (6) of clause 3 of the Bill is—

THE HONOURABLE THE PRESIDENT: Would you not wait till the amendment is moved?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: What I was hoping was that if I dealt with it now, it might not be necessary for the Honourable Member or Members concerned to move the amendment.

THE HONOURABLE THE PRESIDENT: I have no objection.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: It will be observed that the amendment suggests that this definition of the word "Muslim" is too wide and I remember mention being made in the other place that it may include even persons from Bokhara or Samarkhand. Actually we never contemplated anybody in Bokhara or Samarkhand taking an interest in graveyards or buildings in Delhi and I doubt myself whether the so-called wide definition is likely to cause any practical difficulties in the administration of this Bill if it becomes law. But in any case, it is our intention to watch the working of the Act in this as in other respects as well, and should experience disclose any inconvenience, any abuse as it were of this particular provision, then undoubtedly Government will reconsider the matter. I hope, Sir, that with the assurance that I have given on this point it will not be necessary for my Honourable friends who have given notice of the amendment to move the amendment. I do not think that at this stage it is necessary for me to make any further remarks.

Sir, I move.

THE HONOURABLE SARDAR BAHADUR SOBHA SINGH (Nominated Non-Official): Sir, I rise to support the Bill. The object of the Bill, as stated by the Honourable Member, is really to stop all ill-planned and unauthorized structures in Delhi and particularly in the suburbs of New Delhi. Another object is to stop waste. Government have spent lakhs and lakhs of money on anti-mosquito schemes and next door to New Delhi or Old Delhi burrow pits and excavations are being made. This Bill may be quite new in India, but in other countries it is not new. There is ribbon development legislation in other countries and it is working quite satisfactorily.

There are one or two points which I should like to suggest for the consideration of the Honourable Member in charge of this Bill. One is about the rebuilding or the building of the sites taken over or sites being left to the owners. I have seen in the proceedings of the Select Committee that there was some suspicion that the Chief Commissioner's technical advisers might be people who were interested in the Improvement Trust, and Government has been keeping a watch in this Bill that no prejudice is created against getting justice to the private individual, and on one or two points I have seen that it is left entirely to the Chief Commissioner to decide cases on their merits. But the Chief Commissioner's advisers may be interested in the Improvement Trust. What I would like to suggest is that since Government has created the New Delhi Advisory Committee for the improvement of Delhi and New Delhi, if cases like these of building and rebuilding are referred to that Committee of which the Chief Commissioner himself is the Chairman, it would

probably create more confidence. Another thing that I wanted to suggest, although it is too late now, is that it is not only the ribbon development that Government should keep in view, but in a legislation like this any development that is recognized as estate development should be kept in view also. I have noticed that people may not come in the ribbon development, but they are developing very big estates. Probably they are not well-planned, there are no sanitary arrangements and no water supply. When Government is making this legislation, they should also extend it to any organized development either on a bigger scale or on a smaller scale. Estate developments should be kept also in view. There is another small point, which I think is a printing mistake or a mistake in drafting. It is in section 8; in the concluding portion of clause (2) it is said "at the commencement of this Act a road within the meaning of clause (4)". It should be clause (7) of section 2, not clause (4). I think it is a misprint.

With these few words, Sir, I support the Bill.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, as an old resident of Delhi I welcome this Bill. I think, Sir, that Delhi is an expanding town, and some power is necessary to control buildings in what may be called extra municipal areas. Sir, I have risen to give my support to this Bill. It is a Bill which is in the interests of the people of Delhi, and I think that there are areas near Delhi which can be developed as places of residence for the labouring population of Delhi. I hope that power will be used to improve the sanitary conditions under which the Delhi workers live under this Act.

Sir, I support the Motion.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar: Non-Muhammadan): Mr. President, Sir, I give the Bill my support, and I will say now that I am not going to move the amendment that stands in my name, but I just want to ask a question because I have not been able to satisfy my curiosity with regard to one thing. In section 2, sub-section (5) there is given the definition of "place of worship". I have no objection to the words "imambara, dargah, karbala or takya" being included and recognized as places of worship: but I wanted to satisfy my curiosity as to why it was necessary to include only those places in that definition and why it was not necessary to include temples, muths and such other places of worship, in the definition contained in the Bill.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Mr. President, this Bill has come rather late than early. I think, as the Honourable the Member in charge has stated, this legislation is new legislation, and that is the cause of the delay. I have only one remark to make, Sir. I was not quite happy about the effect of the legislation on the question of restriction in existing buildings. The position is this: There are certain areas where people have started building but those buildings have not yet reached a stage in which they can be called buildings. For instance, excavations may have been made and the building may have been erected with plinth: and the doubt exists that this Act may be used to prevent that kind of half-finished buildings from being proceeded with. There is, Sir, in clause 5 a definite statement that no person shall erect or re-erect any building,

*Not corrected by the Honourable Member.

[Mr. Hossain Imam]

or make or extend any excavation in the area which has been controlled. Now that does not satisfy me, Sir, that this order will not apply to buildings which had started being built before. I for one, Sir, would only like Government to keep this in view. I think the Government has been rather mild in extending the limits only to two furlongs from the road. They could with ease have extended the limits to even further, because this question of the development of residential areas in the suburbs requires careful consideration, and as our colleague has pointed out just now, the development is going ahead at a rapid pace and it should be checked.

Sir, I support the Motion.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: Mr. President, I am grateful to all Honourable Members, whether they have spoken or not spoken on the Bill, for the support which they have given to the measure, whether by speech or by silence. As regards certain points which have been made by individual Honourable Members I would like to make a few observations. I first deal with what my friend the Honourable Sardar Bahadur Sobha Singh had to say as regards the exercise of safeguards against possibly interested advice being given by the technical advisers of the Chief Commissioner to the Chief Commissioner. Well, I can assure my Honourable friend that if Government were to interfere in each individual case themselves, or if they were to authorize the New Delhi Development Advisory Committee, to consider each individual case, the task both of the Government and of the Advisory Committee would be considerably increased, and I doubt very much whether they could reasonably be expected to deal with individual claims. What my Honourable friend should, in my judgment, be satisfied with is that Government should exercise a general supervision over the manner in which the discretion of the Chief Commissioner is exercised in dealing with individual cases. As my Honourable friend is aware, the Chief Commissioner is subject to the powers of direction, superintendence and control of the Governor General in Council and I can assure him that we shall watch the working of this Act carefully, not only in regard to matters which are not primarily within the final discretion of the Chief Commissioner but also in regard to matters in which final discretion in the terms of the Statute, vests in the Chief Commissioner. In any case, I am sure that the House will agree that an officer of the standing of the Chief Commissioner may be trusted to dispense even-handed justice in cases in the decision of which final discretion has been vested in him by Statute.

Then, Sir, my Honourable friend Mr. Sapru, who also gave his blessing to the Bill, said that he hoped that provision for suitable housing of the working classes will be made. Actually, that is not, strictly speaking, within the purview of this measure. So far as the urban area of New and Old Delhi is concerned, that problem is being tackled by the Delhi Improvement Trust and if, not now but perhaps when we meet again in Delhi, my Honourable friend would like to be shown round what is being done in regard to improving the conditions of living of the labouring classes here, I should be very happy to arrange for him and other Honourable Members of the House who may be interested to go and inspect for themselves the activities of the Improvement Trust in that direction. "Things seen", as Tennyson said, are "mightier than things heard" and perhaps my suggestion with regard to this particular matter will commend itself to Honourable Members.

Then, my Honourable friend Mr. Mahtha wanted to know how in the definition of a "place of worship" a temple or a *muth* was not specifically mentioned. I can assure him that this was not due to any desire to disparage any religion or the place of worship belonging to a religion, Hindu, Buddhist or any other. But, considering the diversity of faiths in this country and religious ritual, doctrine, practice and the rest, if we had attempted to set out in the definition everything which in common terminology is a place of worship, then this would not have been a definition. It would really have been a thesaurus or dictionary of terms applicable to religious buildings and I am quite sure that nobody desires that.

There is another point—

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: Why did you select only a few?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: I am just coming to that point, if my Honourable friend will have a little patience. The reason why these particular buildings—an *imambara* or a *takya*—were specified is that an *imambara* or a *takya* may not necessarily be a place of worship. On the other hand, it may be a place sacred according to the religious beliefs of a particular community. If my Honourable friend will look at the provision in sub-clause (b) of clause 16 of the Bill, he will find that the term "*samadhi*" occurs there. From that I hope he will gather comfort that what I have said is true, namely, that Government have not tried to discriminate or differentiate between different religions. They have, according to the suggestion made by the representatives of the different communities on the Select Committee, incorporated such specific terms in the definition as were suggested for inclusion in that definition.

I come finally to my Honourable friend Mr. Hossain Imam's point. I did not perhaps make myself sufficiently clear. I would like to draw his attention to clause 6 (5) of the Bill which says:—

"The Deputy Commissioner shall not refuse permission to the erection or re-erection of a building which was in existence on the date on which the declaration under sub-section (1) of section 3 was made".

The expression used is "a building". It does not say "a completed building".

THE HONOURABLE MR. HOSSAIN IMAM: I hope it will be kept in view.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: I have already said that that is the intention. Obviously it would be unfair for Government, after they have made a declaration, to come along and say that some construction, although it had already been started, is to be demolished without the payment of compensation. We wish, on the one hand, to safeguard the community against controlled development. On the other hand, we do not wish to penalize an individual where an individual is acting in good faith and has acted in conformity with the provisions of the Bill.

My Honourable friend Sardar Bahadur Sobha Singh referred to a slight drafting error which has occurred. I should have been prepared now to rectify that error. But the difficulty, as you will realize, is that the other House is no longer in session. If I were to make a change now, this Bill would not become law until the measure had been referred again to the Legislative Assembly for concurrence in the amendment that we make, and the

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interval between now and the next session of the Legislative Assembly will be utilized by speculators for staking out all kinds of claims for compensation, which, I am sure everybody would agree, is not in the interests of the community. In any case, Sir, the minor error to which he has referred is not likely to present any practical difficulties in the working of the Act between now and the next session of the Legislature and I can assure my Honourable friend that when the next session of the Legislature commences, we shall endeavour to get this minor error put right.

The Motion was adopted.

Clauses 2 to 17 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : Sir, I move :—

“ That the Bill, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

INSURANCE (AMENDMENT) BILL.

THE HONOURABLE SIR ALAN LLOYD (Commerce Secretary) : Sir, I move :—

“ That the Bill further to amend the Insurance Act, 1938, as passed by the Legislative Assembly, be taken into consideration ”.

When almost exactly a year ago it fell to my lot to move in this House the acceptance of the Bill which became the Insurance (Amendment) Act of 1940, I explained that the early stages of the working of the very complicated and largely novel Act that was passed in 1938 had revealed a considerable number of difficulties and oversights which called for amendment of the law. I further explained that we had then selected for inclusion in the Bill which had to be passed at short notice only a limited number of these points—matters which were of very urgent practical importance and which were, as I ventured to claim, not very controversial in character. We now deal with the residue of the difficulties to which I then referred. I do not think the House will wish me to refer in any detail to the various and very variegated provisions of the Bill before it. The position is indeed fully explained in the Statement of Objects and Reasons and in the Notes on Clauses. I should merely like to assure the House that the proposals embodied in this Bill have received the fullest consideration, not only in another place, but also by the interests concerned, because all the points upon which we thought legislation necessary were very fully discussed with representatives of insurance interests in a conference which was held in Simla last August. The proposals of Government were drawn up in the light of those discussions, not necessarily in one hundred per cent. agreement with all the interests concerned but after giving the fullest attention to what they had to represent. It had been hoped that a Bill would be introduced in another place and circulated in the last session, but the pressure of legislative business on that occasion was so great that it was crowded out. The Bill was however circulated by publication in the Gazette between the two sessions. When the Bill came before the Legislative Assembly I understand that attention was principally directed to the provisions for the levy of certain additional fees from insurance agents and concerns. The position briefly is that it had

been generally anticipated when the Insurance Act of 1938 was passing through the Legislature that the fees to be recovered under that Act as it stood would largely cover the cost of administration. This anticipation was based upon a mere conjecture in the absence of statistics, which subsequently became available in the actual working of the Act. Nor was it then possible to anticipate with any accuracy the cost of administration. It therefore came about that the situation which we now have was reached, that the income derived from those interests—insurers and, indirectly, policy-holders—for whose benefit the Act was passed only covers something like a quarter of the cost of administration. And at the same time, if we are to make the administration efficient we can foresee that there is a probability of further expenditure having to be incurred. The proposals in the Bill prescribe certain maxima to which it is not intended to work at once, but, subject to these maxima it will now be possible for Government to secure that the margin between what Government pays and the actual cost of administration can be recovered from those for whose benefit the legislation has been made. It is not the intention of Government so far as can be foreseen to reduce the amount which they themselves will pay in this regard, but in the existing financial circumstances it is difficult for them to accept any suggestion that they should agree to bear any large portion of the further expenditure that will be required.

With these remarks, I move that the Bill be taken into consideration.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Mr. President, the Bill before us, according to the Statement of Objects and Reasons, is designed to do two things. It has been brought forward in the first place in order to remove the flaws in the administration of the Insurance Act and the difficulties that have come to light during the 18 months that the Act has been in operation. It has been brought forward in the second place in order to provide for some matters in respect of which further provisions were considered desirable. Many of the provisions of the Bill seem to a layman like me to be of rather an unimportant character. But both by what it does and what it omits to do, it raises certain important questions which I shall venture to consider. I shall first draw the attention of the House to section 27, which is one of the most important sections in the Insurance Act of 1938. There are two questions in connection with this section which I wish to dwell on. The first question relates to the proportion of its assets in respect of life policies which an insurer must invest in a particular way under sub-section (1) of section 27. In order that the House may follow the discussion I would take the liberty of reading out a part of the sub-section.

THE HONOURABLE SIR ALAN LLOYD : May I ask Sir, what clause of this Bill that refers to ? He is speaking to section 27 of the Act which is not mentioned in this Bill.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : It may not be mentioned here but since the Bill is designed to make further provision in respect of many matters I am drawing attention to a matter in respect of which further provision is desirable. Besides this matter was considered in connection with an amendment in the other House but my Honourable friend the Commerce Member never objected to it there. I do not see any reason really why my remarks on this subject should be objected to now.

THE HONOURABLE THE PRESIDENT : There is no question of objection. The question is that you want to introduce a new matter in this Bill in this House. In the Bill as it comes to this House as passed by the other House I do not think you can embody any such new matter.

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THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Sir, may I submit that it can be introduced provided it is within the scope of the Bill. It does not alter the character of the Bill in such a way as to make it a different Bill.

THE HONOURABLE THE PRESIDENT: It may not alter the character of the Bill, but the usual procedure, when a Bill comes before this House from the other House, is only to deal with the Bill as it stands and no new provision can be introduced in this House.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Are we debarred from bringing forward an amendment which does not amount to acceptance of the Assembly's decision?

THE HONOURABLE THE PRESIDENT: If you assert that you are not debarred from bringing such an amendment, I can rule that you have not given notice of an amendment and you cannot now move it.

THE HONOURABLE SIR ALAN LLOYD: Might I make an explanation, Sir. When I rose to my feet just now I did not mean to make a formal objection to the whole of the Honourable Member's remarks as being out of order, although he was talking about a section of the Act that is not dealt with in the Bill. I felt, Sir, as I understand from a remark that fell from your lips, that there was a distinction to be drawn between referring to such matters and the elaboration of a case that would have been in order if an amendment had been admissible.

THE HONOURABLE THE PRESIDENT: I do not object to his referring to the matter. It may form the subject of an amending Bill later on. It cannot be done in this particular Bill just now at this stage without notice.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: The Honourable the Commerce Secretary, after having done the mischief, tries to explain why he intervened. It is much too late for him to do so.

THE HONOURABLE SIR ALAN LLOYD: May I on a point of personal explanation say that I did not raise an objection. I only asked a question.

THE HONOURABLE THE PRESIDENT: The Honourable Member can refer to it, but I will not allow him to move any amendment.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I am only making my views clear. I will not put forward an amendment. What the Commerce Secretary intervened for I do not at all understand.

THE HONOURABLE THE PRESIDENT: You can refer to the matter in your speech. That is all I can allow you to do and nothing more.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I am only referring to it in my speech. I am not bringing forward an amendment.

THE HONOURABLE THE PRESIDENT: I allow you to do so.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I am obliged to you, Sir, for allowing me to continue my remarks in connection with sub-section (1) of section 27 of the Insurance Act, which the Commerce Secretary

seemed to object to. I was saying that that sub-section required insurers to invest a certain percentage of their liabilities in respect of life policies in a certain way—in Government securities and in securities of another character. A difficulty, however, has been felt in regard to this section, which is of a material character and which deserves the sympathetic consideration of Government. It was considered in the other House. I shall read out a part of sub-section (1) of section 27 in order that the House may easily understand what the difficulty that I am dealing with is. The sub-section says:—

"Every insurer incorporated or domiciled in British India shall, subject to the provisions of sub-section (3), at all times invest and hold invested assets equivalent to not less than fifty-five per cent. of the sum of the amount of his liabilities to holders of life insurance policies in India on account of matured claims and the amount required to meet the liability on policies of life insurance maturing for payment in India."

and these are the words that I would particularly invite the attention of the House to—

"less the amount of any deposit made under section 7 or section 98 by the insurer in respect of his life insurance business and less any amount due to the insurer for loans granted by him on policies of life insurance, etc."

Now, the question that the insurance companies and the public are concerned with is this. Are the deposits to be made under section 7 or section 98 by every insurance company and the amount granted as loans to insured persons on the security of their life policies to be excluded from the percentage of the liabilities which the insurer is required to invest in a particular way or from the total amount of the liabilities of the insurer. The question is one of considerable importance. Suppose a company in accordance with this section has to invest a sum of Rs. 10 lakhs in certain securities. If the loans granted by it and the deposits made by it are to be included in the total sum to be invested by it in securities, its position will be considerably eased. Suppose a company of the kind that I have spoken of has made a deposit of Rs. 2 lakhs and has granted loans on the security of life policies amounting to a lakh. If these two sums are deducted from the total amount that it has to invest it will have to invest only Rs. 7 lakhs in securities. But if these two amounts are to be deducted only from the total of its obligations in respect of policies which will certainly be much more than Rs. 10 lakhs, then it will secure hardly any relief. Indeed in some respects its position will become more difficult because it will have to invest 55 per cent. of a smaller sum in securities. It will consequently be able to invest less in other and more profitable ways. This question, which I hope the House understands now, was dealt with in the Legislative Assembly the other day.

THE HONOURABLE THE PRESIDENT: Can you tell me what is the provision in England relating to this?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I do not know what the provision in England is, but I am going to deal with what the Honourable the Commerce Member said in another place, which is quite enough for me. The Honourable the Commerce Member said that he would welcome the institution of a test case. An authoritative judicial interpretation of sub-section (1) of section 27 of the Insurance Act could then be secured. As regards the cost of the legal proceedings, he was prepared to consider the question provided the amount was not too much. Now, Sir, we are not concerned merely with the interpretation of the Act as it is. If that were the only question, the position taken up by the Commerce Member would be perfectly sound. But the

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question is one of policy. Suppose that the advice given to the Commerce Member by the official legal advisers is perfectly correct and that the deductions that I have dealt with are to be made only from the total of a company's liabilities in respect of insurance policies, even then we shall have to consider whether this is sound as a matter of policy. No court can decide a question of policy. That can be decided by Government only and what I would like the Honourable the Commerce Member to tell us is whether any harm would be done, whether the interests of the policy-holders would suffer in any way if the deductions referred to by me were made from the total amount that a company has to invest in Government and certain other kinds of securities. That question, so far as I know, has not been dealt with. At any rate, if the Honourable the Commerce Member dealt with this point in another place, his speech regarding it has not been reported in the papers.

There is another question also in connection with section 27 of the Insurance Act which I wish to raise. I refer here, Sir, to the explanation attached to section 27. The insurers are divided into two categories by this section: those that are incorporated and domiciled in British India or in the United Kingdom, and those incorporated or domiciled elsewhere. The companies that are domiciled in British India or in the United Kingdom have to invest only 55 per cent. of their liabilities in respect of life policies in Government securities and securities of certain other kinds mentioned in sub-section (1). Companies incorporated or domiciled elsewhere have to invest their total liabilities in the ways that I have already mentioned—in Government securities or in securities of the kind referred to in sub-section (1). The Explanation at the end of section 27 to which I have just referred runs as follows: "Sub-sections (2) and (4)" (that is those sub-sections which deal with companies incorporated or domiciled elsewhere than in British India or the United Kingdom), "shall apply to an insurer incorporated in British India whose share capital to the extent of one-third is owned by, or the members of whose Governing Body to the extent of one-third consist of individuals domiciled elsewhere than in British India or the United Kingdom". Without this Explanation, sub-sections (2) and (4) would have applied only to companies that were not incorporated or domiciled in British India or the United Kingdom. But the Explanation makes sub-sections (2) and (4) applicable even to those companies which, though incorporated in British India, do not comply with the conditions laid down in the Explanation. If their share capital to the extent of one-third is owned by, or the members of their Governing Bodies to the extent of one-third consist of individuals domiciled elsewhere than in British India or the United Kingdom, they will have to invest all their assets in Government securities and securities referred to in sub-section (1) even though they may be incorporated in British India. Now there seems to me to be some inconsistency between this Explanation and section 116 of the Insurance Act. This section, as amended by the Bill which we passed the other day, reads as follows:—

"The Central Government may, by notification in the official Gazette, exempt any insurer constituted, incorporated or domiciled in an Indian State from any of the provisions of this Act which may be specified in the notification".

There is a condition attached to this section, the meaning of which is that there must be reciprocity in respect of insurance business between the State

concerned and British India before any company incorporated in that State can be exempted by notification from any of the provisions of the Insurance Act of 1938. Now it is surprising that while a company—I would ask for the attention of the House to this matter—incorporated or domiciled in an Indian State should be exempted by Government from any of the provisions of the Act of 1938, a company one-third of the members of whose Governing Body consists of, or one-third of whose share capital is held by people living in an Indian State, should be subject to the disabilities mentioned in sub-sections (2) and (4), that is that they should have to invest all their assets in Government securities and in securities referred to in section 27. I can understand this requirement being insisted on in the case of companies not incorporated in India or in the United Kingdom: the United Kingdom has to be taken along with India because of certain sections of the Government of India Act. But while section 116 confers certain privileges on companies incorporated in Indian States, section 27 is hard on companies incorporated in British India if they are to a certain extent controlled by interests connected with the Indian States. The position is absolutely illogical. A company may be incorporated in an Indian State, all its share-holders may be residents of that State, and all its Directors may be residents of that State. Yet it can enjoy the privilege referred to in section 116. It can be exempted from all the provisions of this Act. But if it is incorporated in British India and, say, only one-third of its Directors are residents of an Indian State, it will have to invest all its assets in Government securities and certain other kinds of security. If one-third of its share capital is held by people residing in an Indian State, it will again become subject to the disability that I have mentioned. What I have said, Sir, I think is quite sufficient to show that there is a serious discrepancy between the Explanation attached to section 27 and section 116 of the Act. It should be removed at an early date.

There is one other section of the Bill to which I should like to draw the attention of the House. Honourable Members will remember the importance that was attached to section 45 of the Insurance Act of 1938. Briefly speaking, this section limited the right of the insurer to question the statements made by the policy-holder. It stated that the accuracy of any statements made by the policy-holder could be challenged only within a certain period. The period was in the case of existing companies two years from the date of the commencement of the Insurance Act and in the case of new companies two years from the date of the acceptance of a policy. There were, however, exceptions in which the validity of a policy could be questioned even after the prescribed period had expired. The conditions laid down were that the statements made by the policy-holder should be false and fraudulently made and that the policy-holder should have known at the time of making them that the statements were false. The advantages and disadvantages of this section were considered. The provisions of the section did raise certain difficulties. But, after taking all considerations into account, it seemed that it was desirable in the interests of the policy-holders that the right of the insurer to question the accuracy of their statements should be limited in a certain way. It was felt that otherwise the policy-holders might be subjected to vexatious treatment, and that the unlimited right enjoyed by the insurer might be abused. In fact, it was thought that the section was too wide, and that the right in question had not been properly exercised and I believe that the policy-holders had also made complaints about the considerable delays to which the payment of their policies was subjected. This section, however, has been altered in a material respect by an amendment accepted

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in another place. A proviso was added there to this section which runs as follows :—

“ Provided that nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, etc.”.

The first question that we have to consider is that so far as the question of age goes, section 45 has been practically repealed. I know that there are these qualifying words “if he is entitled to do so”. I do not know what exactly is meant by this. Is it meant that if the insurer is entitled to do so under any other law he might question the proof furnished in regard to age? The Commerce Secretary shakes his head—

THE HONOURABLE SIR ALAN LLOYD: Perhaps it will shorten matters if the Honourable Member will permit me to say that the words refer to the terms of the policy.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What the Honourable the Commerce Secretary has said shows that it would be permissible for the contract entered into between the insurer and the insured person to include a provision to the effect that statements made in regard to age might be challenged even after the expiry of the period mentioned in the Act.

THE HONOURABLE SIR ALAN LLOYD: It is the other way round. An insurer might positively contract out of the right of questioning. He might contract to pay the policy without question after two years.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Considering the liberty given to insurers, I do not see that they would be so large-hearted as to agree to pay the life policies without any condition at all. If that is really the position of the insurers, why is this amendment made? It is wholly superfluous. It has obviously been made in order to confer a right on the insurance companies. Otherwise it has no meaning whatsoever. The effect of this amendment will be, as I said, to nullify section 45 so far as age is concerned. I am not aware, Sir, that we have been told what was the serious difficulty that was caused by section 45 as it stands. I know that it was desired in the other House that this change should be made. But Government have said nothing to justify the change that has been made. If they wanted to protect the insurance companies further, they could have done so without bringing forward so drastic an amendment. They could have increased the period during which the insurer could question the statement made with regard to age by an insured person from two to three or even four years. If they were concerned with the interests of the insured person, they could have laid down that if proof with regard to age was not furnished by him and if the policy might thereby lapse, he should be given a previous warning so that he might furnish the required proof. But they have done nothing of the kind. They have not in any of these simple ways protected the interests both of the insurance companies and of the policy-holders. They have brought forward this drastic amendment which, as I have already said, nullifies section 45 in an important respect and confers a power on insurance companies which may easily be abused and which it was felt when the Insurance Act was passed had been rather abused by them.

These are the important points that I wish to deal with in connection with the Bill. I should like however before I sit down also to say that I am

in accord with those who object on principle to the renewal of licences of insurance companies required by the Bill before us. The Honourable the Commerce Member explained in another place what was the reason for this provision and the Commerce Secretary too has explained it today. I understand the explanations given to us to mean that the insurance companies would not be required to provide more than Rs. 1,50,000 and that should the expenditure on the Act increase it is the State that would make itself responsible for the additional expenditure. I am dealing with the new section 3A which it is sought to introduce. If I have correctly interpreted the assurances given by the Commerce Member and the Commerce Secretary, then I think that the new section, though not acceptable to us, need not be seriously objected to. But if it is intended when expenditure involved in the administration of the Insurance Act rises, to call for what I regard as further contributions from insurance companies, then I say that the provision in question is seriously objectionable. I hope that this matter will be explained either by the Commerce Member or by the Commerce Secretary.

Sir, I have not brought forward any amendments because I knew that the other House having risen Government could not accept any of them, even if they were inclined to do so. Otherwise, I would certainly have placed amendments before the House with a view to giving effect to the purposes that I had in view. I hope however that Government will give their serious consideration to the points that I have urged and will try soon to amend the law in such a way as to safeguard better the interests both of policy-holders and of insurance companies than the present Bill does.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan): Mr. President, the Bill before the House has been heralded for a long time. We have been waiting for this for some time past and we had thought that it would be a model of perfection. There is no doubt that this represents an agreement to a large extent between the Government and the insurance companies; and as such the Government deserves to be congratulated on having brought an agreed measure. But our difficulties are not ended by the agreement of the insurance companies alone, because we have also to guard the interests of the unrepresented person, I mean the man who takes out a policy. As far as he and his benefits are concerned, I am afraid the Bill has not paid sufficient attention to his interests. I have not much to say but I do wish to state a few facts before the Government.

Firstly, Sir, the provision which was incorporated in the Bill in the teeth of opposition by all the non-officials in section 2 of the Act about having an actuary at the head of affairs, that remains unaffected. Do the Government seriously believe that after an examination has been made by an auditor it is necessary that his report to be understood can only be read by an actuary? In the Act it is laid down by you that the reports will be made not only by the auditors but in certain cases the Superintendent of Insurance is allowed to ask for an actuarial report. Now, when you have an actuarial report, is it not having a fifth wheel to the chariot to have an actuary also at the helm of the affair? I have no complaint against the Superintendent of Insurance. It should not be understood that I am making any remarks against him. What I do say is that our opinion embodied in the debate on the Act in the Assembly and in this House was almost unanimous in regarding it as a useless provision, a provision which would bar the way to the appointment of an Indian to the post. I will make my position quite clear. The intention of this House was that the first Superintendent should be an Indian. Failing that the second Superintendent should be an Indian who has experience of

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insurance business. Placed as we were, Sir, we had very few Indian actuaries available, and those few were either better employed or had better prospects than the Government could offer. It was therefore impossible for the Government to get an experienced Indian actuary. Sir, I refer to it in passing because there has been some complaint of delay in disposing of the cases. This may be due to the fact that very keen inquiries were being made by a man at the head of affairs who did not know India. The Superintendent of Insurance has been taking good care that the interest of the policy-holders is safeguarded, and to that extent I am in perfect agreement with him, but matters are prolonged too far.

The second item to which I wish to refer is the increase in the fee of the insurance agents. The new method adopted by the Government of making the people pay for specific services rendered is in principle quite correct. But it remains to be seen whether this practice is to be extended to all or to only to those few who are unfortunately already paying. Those who pay are asked to pay more and those who escape payment are never detected. The provision of renewal of insurance is also taxation and taxation which I think the Government ought not to have imposed. The work which the Government is doing is not primarily in the interest of the companies; it is really to safeguard the interest of the policy-holders that this Act has been passed, so that under the guise of a registered company people may not be robbed. It is really in the discharge of a fundamental duty of an established Government that the authorities have embarked on this Act. The purpose of this Act is really to safeguard the interests of policy-holders; and therefore to ask the companies to pay for the services of the Department is really passing on the cost to some other people. Ultimately the cost will have to be paid indirectly by these policy-holders themselves, because insurance companies are after all not philanthropic bodies. Insurance people take my money, make provision for expenditure, and then give you 90 or 80 per cent. of the accumulation. In that sense the cost is passed on to the policy-holders. *I would like the Honourable Member to inform us what is the provision in other civilized countries. Is this kind of renewal fee imposed in other countries as well?* If it is the general practice of the world, I think the Government is perfectly justified in adopting that system, but if it is not, I would venture to suggest that the Government should not make this innovation. Sir, some objection was taken by Dr. Kunzru to the provisions of section 27. I would like to remind the House that this matter was discussed at some length in this House on 22nd November, 1937. Today Dr. Kunzru brought our attention to the anomaly between a company incorporated in an Indian State and a company incorporated in British India with share-holders and directors from the Indian State. Our Honourable friend Dewan Bahadur Sir Ramunni Menon had on 22nd November, 1937 drawn attention to anomalous difference between India and British India as incorporated in this section. Government had intimation that there was some inconsistency in the provision. I hope the Government will not be too much wedded to prestige and brush aside the suggestions but look into the thing and if there is an anomalous position it should be cleared. The present provision in section 27 which insists on 55 per cent. being invested in Government securities acts harshly on policy-holders. The present yield on Government securities is very low, but I would not be so unkind as to suggest to the Government that for the benefit of the policy-holder the Finance Department should increase its rate of interest. You as the Government ought to look at things as they are. I wish particularly to draw the attention of the Government to the fact that

there are two kinds of policy-holders. One is called the participating policy-holder and the other is the non-participating. In the case of those who are not participating in the profits, the premium income is fixed on the supposition of a certain yield on the investment. The actuarial premium tables are on the basis of an assumed rate of interest being earned. Now, the company having entered into contract does not invest the whole sum at the date of the contract. The sum is to be received in a period of 20 years, 25 years or 30 years and it assumes that for that duration the company will be earning a certain amount of interest. That interest is not earned now, through no fault of the insurers and no fault of the policy-holders, rather to the advantage of the State. I would venture to suggest that the Government should consider the difficulties of the insurer in a sympathetic manner. This loss to the insuring company is really passed on to the participating policy-holders. As the House knows, the premium of participating policy-holder is a little higher and the contract is a varying contract, in that the amount of bonus is not always fixed. It is found out by means of different valuations. As far as this valuation is concerned, if the assumed earning capacity is reduced, with the reduction of the surplus, the bonus to be awarded is reduced. *So by insisting on this provision of 55 per cent. in the case of local insurers and 100 per cent. in the case of foreign insurers the participating policy-holders suffer.* The Honourable Member knows that the vast majority of policy-holders prefer to get a participating policy to a non-participating policy. This is the particular aspect of the question which I ask Government to keep in view and not be wedded to prestige that because they had brought forward a certain measure it should be regarded as sacrosanct. The realities of the situation should not be brushed aside merely on the ground that we are passing an Act which is a permanent Act and the present position may be temporary. I am rather inclined to believe that the present trend of interest rate on Government securities is not a temporary feature. Unless something very catastrophic happens we have to regard 3 per cent. and 3½ per cent. as the normal rates of interest for Government accommodation, as the trend of world opinion is that money should be available to the Government at a cheap price. In view of this changed circumstance, the insurer and the participating policy-holders deserve sympathy from the Government and that sympathy can be effectively translated by reducing this provision. The smallest thing that the Government ought to do is to include the deposits and loans, as has been urged, in this 55 per cent. If an amendment of procedure like that is adopted—it is not an amendment of the Act—this might materially, if not wholly, ease the situation. We had been wondering when the Act was before us what would be the effect on the expense ratio of the companies. It was thought that the old Act was unable to check the growth of mushroom companies and one of the objects of this Act was that mushroom companies should not rob the people by offering good prospects without any backing. Well, as far as that is concerned, Sir, I do not know how far the Government has succeeded in eliminating the mushroom companies. I have heard of one difficulty which is being experienced by the companies, and on that I should like the Honourable Member to throw some light. I am, Sir, not very sure of my facts and that is why I am making an apologetic reference. I was told that the present procedure is that if two companies wish to amalgamate it is not only the weak company which has to get its assets valued but it is also the bigger company which is going to absorb, which is asked to have actuarial examination, made of its assets as well. That leads, Sir, to very great expenditure and difficulty. The bigger company, on the last valuation basis and other things, may be proved to be an established concern, a concern which can safely absorb. If both the companies are weak companies, of

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course you should insist. Then you have no safety. But if you find out from your papers that one of the companies is an established concern of long duration, and with an actuarial report; that ought to be sufficient. That is one of the points on which I want some light to be thrown.

There is another point, Sir, on which I want some light to be thrown by the Government. When this Bill was under consideration, I had brought forward an amendment to clause 102 (c) as it then existed which is now numbered section 118. The intention behind that amendment, Sir, was that railway peoples Provident Societies should be exempted from the conditions which are laid down for ordinary Provident Societies. I would remind the House of this because it was really a burden which was passed on to me by Sir Nripendra Nath Sircar, as is stated on page 911 of the Council of State proceedings of 1937. When I moved that amendment, the Government assured me that they will have the matter examined and an agreed amendment will be placed before us. The agreed amendment, Sir, was moved by Mr. Bartley—

THE HONOURABLE DEWAN BAHADUR SIR A. RAMASWAMI MUDALIAR : What clause ?

THE HONOURABLE MR. HOSSAIN IMAM : Clause 102 (c) in the Bill, section 118 in the Act, and at the moment section 66 of the new amending Bill. The difficulty which we found, Sir, was that Provident Societies are restricted to work up to Rs. 500 only. But the only relief which you could give to the railway men and the Government employees mutual Provident Societies was to permit them to transact life insurance business of a restricted amount. This was the only help which we wanted, and which was examined and granted to them by the old Act. Under the Provident Societies Act of 1912 the Government of Bengal—the Provident Society was situated there—was given an exemption. Now the present condition of affairs is that the Superintendent of Insurance may or may not relax, and I am afraid that after this Act is passed the chances of their being allowed to transact business of more than Rs. 500 will be almost negligible. At the moment a talk is going on, Sir, that the big insurance companies are also going to embark on opening new provident companies as subsidiaries to their own big companies. If this sort of development takes place, the position will further deteriorate.

In the end, Sir, I should like to say that perfection is difficult to attain. Human efforts are scarcely, if ever, perfect. We have to make the best of a bad bargain, and the Government's function is to strike a balance between the varying claims of the three parties, the State, the insurance companies, and the policy-holders. The Government and the insuring companies are always in conclave, one consults the other. But the policy-holders' interests, Sir, do not find any access to the Government's counsels, and it is for this reason, Sir, that I do wish that if ever this Act is under revision, representation to the policy-holders' interests should also be given as fully as is given to insurance companies.

Sir, I support the Bill.

THE HONOURABLE DEWAN BAHADUR SIR A. RAMASWAMI MUDALIAR (Commerce and Labour Member) : Mr. President, the speeches of my two Honourable friends relate more to what this Amending Bill has omitted to do than to what this Amending Bill has provided for. My Honourable friend

Pandit Kunzru definitely stated that his objection to this measure was that it did not bring within its purview certain other amendments to sections which have not been touched upon in this Bill. Well, that is a legitimate criticism. But obviously it is not possible for me to go into all the details of why we did not amend a particular section. Let me however advert to section 27 which has occupied my thoughts as well as that of the Honourable Member, and the propriety of which has been discussed in Insurance journals and by insurance interests ever since the Bill was passed. At the conference that I had the honour of presiding over of Insurance interests, section 27 was very hotly debated upon. My position then was, Sir, and is today this : The requirement of section 27 that certain insurance companies should provide by way of approved securities a certain percentage of their liabilities was debated upon and discussed in both the Houses on the occasion when my distinguished predecessor in office, Sir Nripendra Nath Sircar, had the opportunity of introducing the Bill. Such a thorough discussion there was on the subject. Honourable Members are aware—it is no secret that there were conferences in the lobbies and behind the scenes—that it was one of the most debated sections of both the Houses, and that this provision was put there after a prolonged discussion more or less as an agreed measure. It is not that I am laying down now the policy which section 27 seems to incorporate that assets equal to 55 per cent. of the liabilities should be invested in a particular manner : but it is that this very point had been thoroughly discussed only two years ago, and I should have thought before my Honourable friend asked me to suggest an amendment to that particular section that he would have shown how conditions today are in any way different from what they were in 1938 and why that particular provision, which has received complete and thorough attention of the Members of both the Houses, and of the public, should now be amended, and the policy of both the Houses, and of the public, should be revised. That policy, Sir, deals with the interests of the insurance companies and with the interests of policy-holders alike, and I personally feel somewhat timorous of touching a section which, if not sacrosanct, at any rate has received the blessings of both the Legislatures only two years ago. My Honourable friend will find in the discussions particularly in the Council of State and in the speech of my Honourable friend Mr. Hossain Imam that this very question whether the loans on policies and the deposits under section 7 should be included or excluded from that 55 per cent. calculation, a point touched upon by my Honourable friend. The position that I took up in the other House then was—

THE HONOURABLE MR. HOSSAIN IMAM : The Law Member remained silent on that day.

THE HONOURABLE DEWAN BAHADUR SIR A. RAMASWAMI MUDALIAR : And that silence is very eloquent obviously. I am given to understand that the legal Advisers of the Government said, and that is confirmed by the silence of no less a person than the Law Member of the day, that that section provides for the inclusion of these two things also in the 55 per cent. calculation and that the 55 per cent. applies to $[(A + B) - (C + D)]$, if I may say so. That is the reason why I am not prepared to touch that section now. But I did go beyond this. If there was serious doubt—Government itself have no doubt in the matter—but if there was serious doubt in the minds of Insurance companies or, as has been alleged, if they are certain that our interpretation of the section is wrong, and if they go up to a court of law and have their interpretation vindicated, I gave the assurance that Government would not have that section amended so as to restore their original interpretation. One reason

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why parties are unwilling to go to a court of law and have their interpretation justified with reference to many of these matters—and I know it from my own experience as a lawyer—is that the moment they have taken all the trouble and put themselves to all the expense of having that particular interpretation vindicated by a court of law, Government comes in the next day with an amending Bill to restore the original interpretation, thereby nullifying even the decision of the Privy Council. Having that in mind, I gave the assurance that if this interpretation was vindicated by a court of law, Government would not go behind that decision of the court of law and would accept it loyally in spite of the fact that they felt that the decision of both the Houses, the intention of the Government as expressed by the eloquent silence of the then Law Member and all other facts meant that they desired that these two items also should be included in that 55 per cent. calculation.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : It is then obviously a question of policy and not one to be decided by a court of law.

THE HONOURABLE DEWAN BAHADUR SIR A. RAMASWAMI MUDALIAR : My Honourable friend knows that in the opening observations I said that it is a question of policy, which has been so thoroughly discussed and accepted by both the Houses. I need not go into the history of this section 27, the various proposals that were made, how the original proposal of the Government was for 33 per cent., how the Select Committee amended it to 66 per cent., and how a conference was then held and a compromise was arrived at. All these things have been thoroughly discussed, including the question of policy, and the decision is as much binding on the Government as on the Legislature, and that is the reason why I feel that I cannot go behind the policy, especially when no new arguments have been advanced and when the position today is exactly what it was in 1938 when that particular decision was made.

THE HONOURABLE MR. HOSSAIN IMAM : The position has changed because of the reduced yield from the Government securities.

THE HONOURABLE DEWAN BAHADUR SIR A. RAMASWAMI MUDALIAR : Sir, I am not quite sure whether on the facts even my Honourable friend is correct. Certainly he also knows that Government securities have appreciated.

THE HONOURABLE MR. HOSSAIN IMAM : That has brought down the yield, Sir.

THE HONOURABLE DEWAN BAHADUR SIR A. RAMASWAMI MUDALIAR : That reduces the amount that has to be deposited. (Laughter.) You cannot have it both ways. I do not venture to enter into the intricacies of high finance, especially with my Honourable friend Mr. Hossain Imam. I am not competent to do so. But that is the position.

Then, my Honourable friend referred to the Explanation to section 27 and pointed out that a company incorporated in British India, with one-third of the share-holders in an Indian State, is placed in a disadvantageous position. I must frankly confess that this particular point was not brought to my notice by any company or any insurance interest. I understand that there is a single company in that extraordinary position in my Honourable friend's province and therefore he knows much more about it than I do. But I can only say that that is an anomaly which was not provided for and it was not contemplated at the time. As my Honourable friend knows, the Explanation really refers to

foreign companies. I do not know when the next amending Bill will be before the House. But, when the next amending Bill is before the House, I am certain that this question will be given due consideration.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I should have thought that Government would rectify this anomaly, because they never intended that it should be there.

THE HONOURABLE DEWAN BAHADUR SIR A. RAMASWAMI MUDALIAR : That is a point worth considering and I undertake to look into it. But with the obvious impatience of the Legislature over the series of amending Bills to the Insurance Act, I have a little hesitation in introducing any Bill on this point in either of the Houses.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : We have shown exemplary patience.

THE HONOURABLE DEWAN BAHADUR SIR A. RAMASWAMI MUDALIAR : My Honourable friend referred to the question of amalgamation. The Honourable Mr. Hossain Imam said that there was some difficulty about it. Surely, my Honourable friend knows that in the last amending Bill provision was specifically made for it and the Government have taken to themselves the power not to require an actuarial valuation from a company which has a sufficient standing and therefore it is only in regard to such companies that Government feel that an actuarial valuation should be insisted upon that this provision is being enforced.

Then, my Honourable friend Pandit Kunzru referred to clause 31 of this Bill, which amends section 45 of the Act, where it is provided that an insurer can, if he is otherwise entitled to do so, call for proof of age. It was brought to our notice that in some policies it is provided that the assured must prove age, and if so, there is no reason why that proof should not be forthcoming, and if correct proof of age is forthcoming after that date, then it is open to the company to adjust the policy so that the proper premiums are paid according to the age. It seems to me that it is as much in the interests of the other policy-holders as in the interests of the insurance company that this rectification should be made. It is not really fair that other policy-holders should be mulct-ed because one assured does not declare the correct age or does not prove the correct age. That is the reason why this proviso was included in this clause.

My Honourable friend Mr. Hossain Imam went into a discussion regarding the Actuary which I was not able to follow. He virtually said, "Well, there is the actuarial report; any layman can understand it. Therefore, there is no reason why there should be a qualified Actuary at the top to further scrutinize it." But his logical mind then jumped to a queer conclusion that it should be an Indian Actuary and not a British Actuary who ought to be the Superintendent of Insurance. (Laughter.)

THE HONOURABLE MR. HOSSAIN IMAM : On a personal explanation, Sir, I did not suggest this. I said that the qualification "Actuary" stands in the way of having an Indian Superintendent. So you have either to eliminate the Actuary or not have an Indian.

THE HONOURABLE DEWAN BAHADUR SIR A. RAMASWAMI MUDALIAR : That is a curious way of bringing about the desired effect to which I cannot possibly subscribe. In the first place, there has never been a want of Indian Actuaries. It may not have been possible for Government to get a qualified Actuary on the terms and conditions on which they were prepared to get them, and when the criticism of the House is about bloated salaries, that sort of difficulty will always continue to exist. My Honourable friends will have to revise their ideas, particularly now that this country is becoming more and more industrialized, and the best brains are being diverted to industry, not only with reference to this particular appointment but also with reference to various other technical appointments. My Honourable friends will be driven to the conclusion that they should revise their ideas on salaries and in any case cannot subscribe to the Rs. 500 limit which has prevailed as a very desirable limit in some quarters till recently. But, Sir, I can say this.

I have tried to look into the Department and its administration and have taken some interest in this matter during the last year, and I can assure my Honourable friend that no layman could possibly deal with the actuarial reports that sometimes come up or cope with the correspondence that insurance companies from time to time put forward. It requires all the ingenuity and all the care of the Superintendent of Insurance and three qualified Actuaries whom we fortunately now have in the Commerce Department, all of them Fellows of the Society of Actuaries, out of only seven or eight Indian Actuaries in the whole country. We have been very fortunate in getting their services. It requires all their ingenuity and care to disentangle some of the reports of the actuaries and auditors and the correspondence which is sometimes addressed to the Department by the Insurance companies. But my Honourable friend at the same time complained of the delay, and that leads me to the proposals which have been called the taxation proposals of the Bill. We do contend it to be one of the justifications and reasons for this Bill, which provides for this renewal of fees, that we want to avoid such delays. There is no use of complaining of delays when there is a skeleton staff to work the Act. Insurance companies are getting more regular. The controls are so many and the correspondence so interminable, with reference to some at least of the insurance companies. It is not the best managed companies that give the greatest trouble to the Insurance Department. It is those badly managed companies which after protracted correspondence have to be hauled up, and threatened with withdrawal of registration. It is to deal with all this work that the increased staff is required.

And that brings me to the provision for renewal of licences, which frankly is a proposal for raising some money. My Honourable friend Pandit Kunzru wanted me to give an assurance, but I think he got a little confused over the statement I made in another place. The present contribution from the general revenues is Rs. 1,50,000 for the expenditure on the Department. On the other hand the present contribution by the insurance interests to the general revenues is about Rs. 50,000, which is being paid by way of fees by the agents. Now I only said that under present circumstances, for the purposes of this growing department and for discharging our obligations to the insurance companies and to the public at large, we want some more money and it is not possible to get that money from the general tax payer. Therefore it is that these proposals for a renewal fee from insurance companies and an enhanced fee from the agents when they receive their annual licences have been put forward in this Bill. It does not mean that all extra expenditure hereafter of the Insurance Department must be found by the insurance interests alone. I do not commit this

House to that prospect. I also said that the indirect costs of the administration, costs on pensions and so on, have not been taken into account in this contribution which the general taxpayer pays to this Department. Those indirect charges are bound to grow from time to time. Therefore, on the one hand I did not set a limit to the amount which the general taxpayer should pay to the cost of the Insurance Department, and I did not suggest that it should be only one lakh. On the other hand I did not commit myself to the principle that all additional expenditure should be met only from a levy either from the insurance companies or the agents concerned.

Sir, I do not think there is any other point which I need deal with at this stage. I can only say that this is one more instance of a Bill which has been carefully considered in the light of the advice received from the parties directly interested, that all the provisions were discussed with the interested parties. On the one hand we placed before the conference the proposals we had in view, and on the other were proposals from the insurance companies as to what amendments they wanted. It was through a discussion on all those proposals that we arrived at certain conclusions. As my Honourable friend the Commerce Secretary stated, this Bill does not represent one hundred per cent. agreement on all these points. Obviously we could not expect the insurance companies or the agents to agree on the one hand to the renewal fee or on the other hand to an increase in agents' commission, even as we would not expect any person who pays an income-tax to agree readily either to the payment of income-tax as it stands or the enhancement of that income-tax. We did not look forward to agreement on that proposal. But they knew very well, and we explained, the justification that we felt for bringing forward these proposals, and in their heart of hearts I say they gave their assent to these proposals. It is in these circumstances that we have come forward with this amending Bill.

THE HONOURABLE THE PRESIDENT : Motion moved :—

"That the Bill further to amend the Insurance Act, 1938, as passed by the Legislative Assembly, be taken into consideration."

Question put and Motion adopted.

Clauses 2 to 50 were added to the Bill.

Clauses 51 to 70 were added to the Bill.

The Schedule was added to the Bill.

Clause 71 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.

The Council then adjourned *sine die*.

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