

COUNCIL OF STATE DEBATES

WEDNESDAY, 22nd SEPTEMBER, 1937

Vol. II—No. 5

OFFICIAL REPORT



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COUNCIL OF STATE.

Wednesday, 22nd September, 1937.

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

MEMBER SWORN :

The Honourable Mr. Muhammad Saleh Akbar Hydari (Government of India : Nominated Official).

QUESTIONS AND ANSWERS.

NEGOTIATIONS WITH THE NIZAM'S GOVERNMENT WITH REGARD TO CUSTOMS DUTIES ON IMPORTS BY AIR .

152. THE HONOURABLE MR. P. N. SAPRU (on behalf of the Honourable Raja Yuveraj Datta Singh): Will Government kindly state whether negotiations are proceeding with the Nizam's Government with regard to matters relating to customs duties on imports by air to the State, which may affect the Central Government's revenue in any way? What are the proposals, if any, and how do Government expect to determine them?

THE HONOURABLE MR. A. J. RAISMAN: Government are unaware of any such negotiations.

COMPLAINT AGAINST MR. KAZMI, STATION MASTER, DELHI, FOR REFUSING TO LET A MEMBER OF THE COUNCIL OF STATE USE THE LUGGAGE LIFT.

153. THE HONOURABLE MR. P. N. SAPRU: (a) Will Government please state whether permission was refused by Mr. Kazmi, Station Master, Delhi, to a first class passenger, a Member of this House and of the Standing Committee for Railways, to use the luggage lift at the Railway Station, Delhi, on the 31st July last?

(b) Was a complaint in the matter sent to the Divisional Officer, Delhi?

(c) Has any inquiry been made into the matter and, if so, with what result?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) Yes. The luggage lifts are intended for the conveyance of luggage, parcels and mails and are neither meant for, nor mechanically passed for, the conveyance of passengers.

(b) Yes.

(c) The inquiry held established that the Station Master could not, under any circumstances, allow the use of the luggage lift without accepting responsibility for the risk of injury to the complainant's person. The Divisional

Superintendent, Delhi, has written to the complainant explaining the position and expressing regret for any inconvenience which may have been caused.

THE HONOURABLE MR. HOSSAIN IMAM: Are not men travelling on that lift, e.g., coolies ?

THE HONOURABLE SIR GUTHRIE RUSSELL: They are railway servants.

THE HONOURABLE MR. HOSSAIN IMAM: Does the Government take no responsibility for their lives or do they regard their lives as worthless ?

THE HONOURABLE SIR GUTHRIE RUSSELL: Railway servants have a certain responsibility and have to take certain risks.

THE HONOURABLE MR. HOSSAIN IMAM: Would it have been harmful if the gentleman had been allowed to use the lift on his own responsibility ?

THE HONOURABLE MR. P. N. SAPRU: Had the Station Superintendent allowed the gentleman to go by the luggage lift ?

THE HONOURABLE SIR GUTHRIE RUSSELL: The Station Superintendent could have done it at his own risk but he was not prepared to take that risk.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is it a fact that the Member in question explained the serious illness from which he was suffering and asked for this as a concession as the doctors had asked him not to walk even a few paces ? In those circumstances, the Station Master could have exercised some discretion and allowed the gentleman concerned to use the lift.

THE HONOURABLE THE PRESIDENT: It is an excessively lengthy question and unless you break it up I must disallow it.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is it a fact that the gentleman in question explained to the Station Master the special grounds on which he was asking for the use of the luggage lift ?

THE HONOURABLE SIR GUTHRIE RUSSELL: I have no knowledge of it, but I accept the Honourable Member's statement.

THE HONOURABLE MR. P. N. SAPRU: Is it a fact that the gentleman concerned had to be in hospital for three weeks as the result of the refusal to use the lift ?

THE HONOURABLE SIR GUTHRIE RUSSELL: I have again no knowledge of that.

REPRESENTATION FROM THE INDIAN SUGAR MILLS ASSOCIATION IN REGARD TO THE POSSIBILITY OF EXPANSION OF THE INDIAN SUGAR INDUSTRY.

154. THE HONOURABLE MR. P. N. SAPRU: Will Government state whether they have received any representation from the Indian Sugar Mills Association in regard to the possibility of expansion of the sugar industry ? If so, what action do they propose to take on it ?

THE HONOURABLE MR. H. DOW: Yes, Sir. The whole question of the Indian sugar industry is at present the subject of an inquiry by the Tariff Board.

THE HONOURABLE MR. HOSSAIN IMAM: Were any sugar factories closed on the 1st April as they had threatened to do at the time of the excise duty?

THE HONOURABLE MR. H. DOW: I am afraid that does not arise out of this question. I have no information on the subject.

THE HONOURABLE MR. RAMADAS PANTULU: Have the Government made any inquiry about the effect of the excise duty recently imposed in February last on the sugar industry?

THE HONOURABLE MR. H. DOW: I am afraid I must ask for notice. This does not arise out of this question at all.

KHALASIS EMPLOYED BY THE KARACHI PORT TRUST.

155. **THE HONOURABLE MR. P. N. SAPRU:** (a) Have the khalasis employed in the Deputy Conservator's Department of Karachi Port Trust to be on duty for 24 hours?

(b) Are khalasis allowed only 24 hours' leave in a month? If so, is this leave too discretionary with the officers?

(c) What is the number of European pilots and Indian pilots?

(d) Have khalasis to wait for long hours with motor launches and boats for bringing pilots to the boats from dances and dinners?

(e) Are khalasis not allowed to form registered trade unions?

(f) Are any quarters provided for khalasis? If so, for what period? What is the number of khalasis employed and the number of quarters provided for them?

(g) Has there been any reduction in the pay of khalasis? If so, why?

(h) Has there been any cut in the ration allowance of khalasis? If so, why? Do Government propose to restore the allowance in the near future? If so, when?

THE HONOURABLE MR. H. DOW: The information is being collected and will be supplied to the Honourable Member in due course.

THE HONOURABLE MR. HOSSAIN IMAM: May I ask that the statement be laid on the table of the House?

THE HONOURABLE MR. H. DOW: I have no objection, Sir.

NUMBER OF EUROPEANS AND INDIANS HOLDING SUPERIOR APPOINTMENTS IN THE GOVERNMENT OF INDIA OFFICES.

156. **THE HONOURABLE MR. P. N. SAPRU:** Will Government be pleased to state the number of (i) Indians and (ii) Europeans holding superior appointments carrying a salary of Rs. 1,000 and over in the Government of India Offices in 1921, 1929 and 1937?

THE HONOURABLE MR. R. M. MAXWELL: The information is being collected and will be laid on the table in due course.

NUMBER OF INDIAN OFFICERS AT THE STAFF COLLEGE, QUETTA.

157. **THE HONOURABLE MR. P. N. SAPRU :** Will Government be pleased to state the number of Indian officers in the Staff College at Quetta ?

THE HONOURABLE MR. C. M. G. OGILVIE : Three.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What is the total number of officers at the Staff College ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : 63.

THE HONOURABLE MR. HOSSAIN IMAM : Students or instructors ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Students.

NUMBER OF POLITICAL PRISONERS, STATE PRISONERS, NEWSPAPERS AND PRESSES IN CENTRALLY ADMINISTERED AREAS.

158. **THE HONOURABLE MR. P. N. SAPRU :** Will Government be pleased to state the number of—

(a) Political prisoners convicted of (i) violence, and (ii) offences involving no violence in the Centrally administered areas ?

(b) Detenus or State prisoners in the Centrally administered areas ?

(c) Newspapers and periodicals published in the Centrally administered areas ? and

(d) (i) Presses from which security was demanded during the period 1930—1937 in the Centrally administered areas, and (ii) presses whose securities were forfeited during this period ?

THE HONOURABLE MR. R. M. MAXWELL : I lay on the table a statement giving the required information.

Statement.

Name of province.	(a) Number of prisoners convicted of political offences involving :—		(b) Number of		(c) Number of newspapers and periodicals published during 1936.	(d) Number of securities.	
	(1) Violence.	(2) Non-violence.	(1) Detainees.	(2) State prisoners.		(1) demanded from Presses (1930—1937).	(2) Forfeited.
Delhi	1	2	..	2	211	20	..
Ajmer-Merwara	3	..	317 Bengal detainees in Delhi detained under orders of the Bengal Government.	1	43	5	..
Cooch .. .. .	..	..	52	..	4	..	..
Punjab .. .. .	..	..	..	..	..	..	..
Andaman and Nicobar Islands	283 terrorist prisoners belonging to various provinces including a few convicts from Delhi and Ajmer-Merwara.		..	..	..	..	..

**MILEAGE FOR CHARGE BETWEEN CALCUTTA AND BELGHARIA RAILWAY STATION,
E. B. R.**

159. THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY : Will the Honourable Member in charge of the Railways be pleased to state:—

(a) The mileage for which the railway fare is charged between Calcutta and the Belgharia Station of the E. B. R. ?

(b) What was the mileage charged in the year 1905 or before ?

(c) Since when is the present rate of mileage being charged for and the reasons for the same ? and

(d) Is the seventh milestone from Calcutta on the station platform of the Belgharia Station and only a few yards from the Booking Office ? If so, do Government propose to restore the old mileage ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) The mileage for charge between Calcutta and Belgharia station on the E.B.R. is 8.

(b) The mileage for charge between these two stations in 1905 was 7.

(c) The change was effected about 1909, when it was discovered that the fares had been wrongly calculated on 7 miles instead of 8 miles. The actual distance, as shown in the E.B.R. Time Table, is $7\frac{1}{4}$ miles. In accordance with the General Rule No. 33 of Chapter I of the Indian Railways Coaching Tariff No. 10, which is adopted by Railways generally, it is provided "that in calculating distances for charge at the rate per mile, any fraction of a mile is taken as one mile".

(d) The seventh mile post is at the south end of the Belgharia platform ; as the alteration in the mileage for charge from 7 to 8 miles is no more than a rectification of the past error, the question of the restoration of the old mileage does not arise.

THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY : Is it a fact that the working time table of the E. B. R. shows the actual distance as 7 miles ? I am referring to the working time table of the Railway which is meant for the railway staff.

THE HONOURABLE SIR GUTHRIE RUSSELL : I have already said that the Eastern Bengal Railway time table distance is $7\frac{1}{4}$ miles.

THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY : I am asking about the working time table meant for the railway staff.

THE HONOURABLE SIR GUTHRIE RUSSELL : I do not know. I have not seen the mileage in the working time table.

RECEIPTS AND DISBURSEMENTS OF GOVERNMENT IN INDIA AND IN ENGLAND.

160. THE HONOURABLE MR. G. S. MOTILAL : Will Government be pleased to state:—

(a) Whether it is their intention, not to show in *separate columns*, as used to be done up till 1936-37, items of Revenue and Expenditure and Receipts and Disbursements made in India and in England in Statements A, B and C of the Budget Statements ?

(b) The reasons which have led them to discontinue showing in separate columns in 1937-38 budget, the items of Revenue and Expenditure and Receipts and Disbursements made in India and in England?

THE HONOURABLE MR. A. J. RAISMAN: (a) Yes.

(b) Under the revised system of accounts introduced in connection with the new constitution, practically all receipts and disbursements of Government whether in India or in England, are being brought to account finally in the Indian books only. For this reason, it was not considered necessary to retain the separate columns for recording transactions in England in Statements A, B and C of the Budget Statements. So far as expenditure in England is concerned the information will mostly be available in the Volume of Demands for Grants, which exhibits the "Charges in England" separately wherever they occur in a demand. The receipts in England are a negligible portion of the total receipts, and it is not considered worth while to exhibit them separately.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Secretary of State be in charge of expenditure in England under the new constitution of the Government of India?

THE HONOURABLE MR. A. J. RAISMAN: I do not understand the Honourable Member's question. The power of disbursement goes with constitutional power and the question as to what powers the Government of India has to spend money whether in India or in any part of the world is determined by the Government of India Act.

THE HONOURABLE MR. HOSSAIN IMAM: What I meant was whether the Secretary of State is now the authority for disbursing pensions and interest charges of the Government of India in England?

THE HONOURABLE MR. A. J. RAISMAN: If the Honourable Member is referring to functions performed on behalf of the Government of India by agents in London, then it is a fact that the India Office continues to perform certain functions, although by far the greater part have been taken over by the High Commissioner.

THE HONOURABLE MR. HOSSAIN IMAM: Will those expenses be shown separately in the budget statements?

THE HONOURABLE MR. A. J. RAISMAN: No, they will not be shown in a separate column henceforth, although it will be obvious from the demands or grants that they are expenses incurred in England.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: As the demands for grants are not readily available to the public, will it not be desirable to have this information in the accounts themselves?

THE HONOURABLE MR. A. J. RAISMAN: No, Sir. When the head office of any authority finally brings all its accounts together in one form there is no reason why it should show separately expenditure incurred in different places.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Will it involve any undue labour?

THE HONOURABLE MR. A. J. RAISMAN : It is meaningless. It destroys the sequence of the accounts. The whole of the expenditure is incurred by the Government of India and it ultimately has to be met by rupee payments or remittances, and therefore it should be brought to account in the Indian books.

THE HONOURABLE MR. HOSSAIN IMAM : Do we take this to mean that the latest interpretation is that so long the Government of India has erred in showing it separately ?

THE HONOURABLE MR. A. J. RAISMAN : Well, the constitutional position has changed and it is now a more appropriate method of exhibiting the Government's expenditure.

THE HONOURABLE MR. G. S. MOTILAL : Does any constitutional provision imply that the accounts should not be shown separately ?

THE HONOURABLE MR. A. J. RAISMAN : The only constitutional provision is that the accounts should be maintained in a form which the Auditor General directs after obtaining the approval of the Governor General. I think that is the position and it is merely a matter of the most appropriate method of exhibiting these transactions.

THE HONOURABLE MR. G. S. MOTILAL : There is nothing to preclude these accounts being shown separately.

THE HONOURABLE MR. A. J. RAISMAN : If the Honourable Member has been listening to the answers which I have given to other questions he will realise there is nothing to preclude them, but it is merely a matter of ordinary business accounting.

THE HONOURABLE MR. G. S. MOTILAL : Then the public and the Legislature will not now have ready information which they used to have ?

THE HONOURABLE MR. A. J. RAISMAN : I believe, Sir, that the Legislature sees the accounts far more at the time of the voting on demands for grants than at any other time, and at that time the expenditure in England is shown in the demands.

THE HONOURABLE MR. G. S. MOTILAL : The details will no longer be there ?

THE HONOURABLE MR. A. J. RAISMAN : Is the Honourable Member asking a question or is he giving me information ?

THE HONOURABLE MR. G. S. MOTILAL : At present in different columns they show the expenditure met in England and in India.

THE HONOURABLE THE PRESIDENT : Your question is most remotely connected with the original question, and that is not the object of putting supplementary questions.

THE HONOURABLE MR. G. S. MOTILAL : My submission is, those details will not be there if they are not shown as before.

THE HONOURABLE THE PRESIDENT : That is a mere expression of opinion.

THE HONOURABLE MR. P. N. SAPRU : Has the change been made on the recommendation of the Auditor General ?

THE HONOURABLE MR. A. J. RAISMAN : Certainly.

THE HONOURABLE MR. HOSSAIN IMAM : May I know what was the former position of the Government of India and how is it changed now ?

THE HONOURABLE MR. A. J. RAISMAN : One respect in which it has changed is that the Auditor of Home Accounts is now directly under the Auditor General of India. He has to take his orders from the Auditor General as to how the accounts should be drawn up.

THE HONOURABLE MR. HOSSAIN IMAM : Now the Governor General has been empowered to keep his accounts in this way, I want to know whether this power did not exist in the Government of India Act, 1919 ?

THE HONOURABLE MR. A. J. RAISMAN : I am afraid I cannot answer that question off-hand.

RESERVE BANK OF INDIA.

161. THE HONOURABLE MR. G. S. MOTILAL : Will Government be pleased to state whether the Reserve Bank of India has made its report to the Governor General in Council, required by section 55 (2) of the Reserve Bank of India Act ? If not, when such a report is expected to be made ?

THE HONOURABLE MR. A. J. RAISMAN : No. It is impossible to say when such a report is likely to be made.

THE HONOURABLE MR. RAMADAS PANTULU : Has any inquiry been made ?

THE HONOURABLE MR. A. J. RAISMAN : Section 55 (2) of the Reserve Bank Act relates to a state of affairs when the international monetary position has become sufficiently clear and stable to make something possible. Well, I submit at the present moment the international position, whether political, economic or monetary, has not become sufficiently clear and stable for anybody to do anything.

THE HONOURABLE MR. RAMADAS PANTULU : Has not the currency standard become more stable ?

THE HONOURABLE MR. A. J. RAISMAN : There may have been some improvement as the result of the tri-partite agreement between America, Great Britain and France, but the political uncertainties are always capable of producing economic uncertainties again.

THE HONOURABLE MR. HOSSAIN IMAM : Has France changed her monetary standard during recent years ?

THE HONOURABLE MR. A. J. RAISMAN : Certainly, Sir. That change was made in consultation with the other parties to the international agreement.

INTERNATIONAL SUGAR AGREEMENT, 1937.

162. THE HONOURABLE MR. G. S. MOTILAL : Will Government be pleased to state:—

(a) Whether the Government of India were consulted before the recent Sugar Conference held in London agreed to prohibit the export of Indian sugar ?

(b) Whether Government objected to it? and

(c) Whether Government consulted Indian opinion in the matter? If not, why not?

THE HONOURABLE MR. H. DOW: (a) The decision of the Conference was in accordance with the instructions given by the Government of India to their delegate.

(b) No.

(c) No formal consultation took place, but Government were aware of the views of the interests concerned.

THE HONOURABLE MR. HOSSAIN IMAM: What advantage do we gain out of this agreement?

THE HONOURABLE MR. H. DOW: Sir, I suggest that that does not arise out of this question. An early opportunity will be given to all Members of acquiring information when we are discussing the Resolution of which I have given notice.

WORKING OF VIZAGAPATAM PORT.

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

(a) The year when the Vizagapatam Port was opened?

(b) Has the Port been working at a deficit?

(c) What was the deficit during 1935-36?

(d) Did the Public Accounts Committee at Simla consider the question of closing it down altogether?

(e) Is it proposed to hold an inquiry into the future of the Port?

THE HONOURABLE MR. H. DOW: (a) 1933.

(b) Yes.

(c) Rs. 2,53,970 under the "Port Fund Account" and Rs. 5,483 under the "Pilotalge Fund Account" exclusive of interest charges in capital.

(d) No, Sir. No such proposal was before the Public Accounts Committee though such a suggestion was made and discussed. The Committee desired that the financial position and prospects of the Port should be thoroughly investigated and that a comprehensive report on the subject should be submitted next year.

(e) In accordance with the wishes of the Public Accounts Committee the whole position of the Port is being reviewed by Government.

THE HONOURABLE MR. HOSSAIN IMAM: What was the original estimate of cost and of the return on the capital invested?

THE HONOURABLE MR. H. DOW: I am afraid I cannot give those answers without notice.

THE HONOURABLE MR. RAMADAS PANTUBU: What were the main causes of the deficit?

THE HONOURABLE MR. H. DOW: The main cause, I think, of the deficit is an entire alteration in the general trade situation since the time when the Port was started.

THE HONOURABLE MR. RAMADAS PANTULU: Is there any prospect of improvement in the position?

THE HONOURABLE MR. H. DOW: That, Sir, is one of the things which are being investigated at the request of the Public Accounts Committee.

THE HONOURABLE MR. HOSSAIN IMAM: Has a Committee been formed to inquire into this matter?

THE HONOURABLE MR. H. DOW: No, Sir.

THE HONOURABLE MR. HOSSAIN IMAM: A departmental inquiry is being made?

THE HONOURABLE MR. H. DOW: Yes, Sir.

PROPOSALS OF THE UNITED PROVINCES CHAMBER OF COMMERCE IN CONNECTION WITH THE PROVISIONS OF THE INDIAN EVIDENCE ACT.

164. **THE HONOURABLE MR. P. N. SAPRU:** Has Government received any communication from the Secretary, United Provinces Chamber of Commerce, in connection with the amendment of certain provisions of the Evidence Act? Do they propose to take any action on it?

THE HONOURABLE MR. R. M. MAXWELL: No such communication has so far been received. But the United Provinces Chamber of Commerce forwarded to the United Provinces Government their opinion on the Commercial Documents Evidence Bill. This opinion has been printed along with the other opinions received.

MINOR INDUSTRIES AFFECTED BY FOREIGN COMPETITION.

165. **THE HONOURABLE MR. P. N. SAPRU:** Do Government propose to appoint a committee to examine the cases of those small industries which have been affected by Japanese competition?

THE HONOURABLE MR. H. DOW: No, Sir.

CLASSES AT PRESENT ENLISTED IN THE INDIAN ARMY.

166. **THE HONOURABLE MR. P. N. SAPRU:** What are the castes and communities which are represented in the present Indian Army? Are there any castes or communities to which the ranks of the Indian Army are not open? If so, why?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The classes at present enlisted in the Indian Army are shown clearly in the *Indian Army List* at the heading of each unit, and they are those which in the opinion of the Military authorities produce the most efficient soldiers.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is any effort being made to widen the basis of recruitment?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : As has been said before, Government do not recognise any particular class, caste or community as martial or non-martial, but units of the Indian Army are organised on a class basis and as there are limits to the size of that army only a limited number of classes ordinarily find a place in it. As I have said the classes are shown in the *Indian Army List* and they are those which in the opinion of the Military authorities produce the most efficient soldiers.

THE HONOURABLE MR. P. N. SAPRU : Is it open to any member of any class to join the army if he should be found fit by the authorities ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Provided he belongs to the classes that we are enlisting at present.

THE HONOURABLE MR. P. N. SAPRU : How does His Excellency say that Government do not recognise any distinction between martial and non-martial classes ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : I maintain that I have answered that question.

THE HONOURABLE MR. P. N. SAPRU : May I just explain a little, Sir ?

THE HONOURABLE THE PRESIDENT : No explanation is necessary.

THE HONOURABLE MR. P. N. SAPRU : I want to ask a supplementary question, Sir.

THE HONOURABLE THE PRESIDENT : Please put your question. No explanation.

THE HONOURABLE MR. P. N. SAPRU : Is it open to any member of any caste or community to join the army if he satisfies the tests which are needed for a soldier or it is open only to members of certain castes and certain communities to join the army ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : As regards the first part of the question, Sir, there is no test required for a man enlisting in the army and I maintain I have answered the second part. If a man of a certain caste applied to serve in the army and that class is not at present enlisted, he cannot.

THE HONOURABLE P. N. SAPRU : Is it the view of His Excellency that no member of a class other than those recognised by the Government is fit to join the army ?

THE HONOURABLE THE PRESIDENT : His Excellency has already answered that question twice.

THE HONOURABLE MR. HOSSAIN IMAM : Are Sayyids eligible to join the army ?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Is it a fact, Sir, that "Changs, Bahtis and Ghirths" are on the approved list, and can the Government kindly say why their recruitment has not gone on on a proper pace ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I want notice of that question, Sir.

THE HONOURABLE MR. HOSSAIN IMAM: My question is unanswered, Sir. Are Sayyids eligible for entering the Army?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I would like notice of that question, Sir.

THE HONOURABLE MR. HOSSAIN IMAM: Are Biharis eligible, Sir?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is it a fact that during the war soldiers drawn from certain communities from which no recruitment was made before proved thoroughly successful?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I should like notice of that too, Sir.

THE HONOURABLE MR. P. N. SAPRU: Is it a fact that before the Mutiny classes from which recruits are not drawn today were drawn and were found to be quite good soldiers?

MANUFACTURE OF LOCOMOTIVES IN INDIA.

167. **THE HONOURABLE MR. P. N. SAPRU:** Are Government aware of any strong feeling that they should take steps to manufacture locomotives in India? Do they propose to take any steps in that direction?

THE HONOURABLE SIR GUTHRIE RUSSELL: The Honourable Member is referred to the debate in the Legislative Assembly on 4th September, 1935 on a Resolution by Mr. Sami Vencatachelam Chetty regarding manufacture of locomotives in State Railway workshops.

CUSTOMS DUTIES LEVIED ON BRITISH INDIAN MANUFACTURES AND GOODS IMPORTED INTO JAMMU AND KASHMIR.

168. **THE HONOURABLE MR. HOSSAIN IMAM:** Are all British Indian manufactures and goods on import into Jammu and Kashmir State subject to heavy duty? If the reply be in the affirmative, would the Government of India consider the advisability of levying similar duties on Jammu and Kashmir manufactures and goods on import into British India? If not, why not?

THE HONOURABLE MR. A. J. RAISMAN: The answer to the first part of the question is that customs duties are levied on British Indian manufactures and goods on import into Jammu and Kashmir State.

With regard to the second part of the question, the Government of India have no present intention of imposing a tariff on goods from Jammu and Kashmir, but have recently decided to impose a limited land customs regime which will be applicable to goods from places beyond that State imported into British India through that State.

The answer to the third part of the question is that the Government have not thought it necessary to depart in this instance from their usual policy of admitting goods from Indian States free of duty.

THE HONOURABLE MR. HOSSAIN IMAM: Is it a fact that there exists a Treaty between Kashmir State and India making it obligatory on the powers not to impose such duties?

THE HONOURABLE MR. A. J. RAISMAN: No, Sir, that is not a fact.

NUMBER OF BRITISH TROOPS AND INDIAN TROOPS IN PROVINCES, APPROXIMATE COST AND NUMBER OF CANTONMENTS, ETC.

169. **THE HONOURABLE MR. HOSSAIN IMAM:** Will Government give the following information separately for (a) Field Army, (b) Covering Troops, (c) Internal Security Troops for the year 1936 :—(i) Number of Europeans, (ii) number of Indian Troops (in each province), (iii) approximate cost, (iv) the number of cantonments of each, and combined stations common to the three types?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a), (b) and (d). The Honourable Member is referred to the information contained in the *Quarterly Strength Return* and the *Indian Army List* which contain the required information and these are available in the Library.

(c) The information required by the Honourable Member as to the approximate cost may be obtained also from the Budget Estimates (particularly page 25).

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Does the *Quarterly Return* to which His Excellency referred give information with regard to the composition of the Field Army, the Covering Troops and the Internal Security Troops?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Yes.

THE HONOURABLE MR. HOSSAIN IMAM: His Excellency referred to page 25. That page does not give the information which I want.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I should be grateful if you would at your leisure examine those figures; but in order to help you in the matter, I can give a certain amount of information. The average annual cost of the Field Army in 1937 was Rs. 11·86 crores, of the Covering Troops Rs. 5·50 crores and the Internal Security Troops Rs. 6·40 crores.

SILVER SALES.

170. **THE HONOURABLE MR. HOSSAIN IMAM:** Will Government state the amount of silver sold in each financial year, the value realised, the account credited, since 1st April, 1935 to 31st March, 1937?

THE HONOURABLE MR. A. J. RAISMAN: I lay on the table a statement containing the information asked by the Honourable Member.

Silver Sales.

Year.	Quantity in standard tolas.	Value realised.	Account credited.	Remarks.
1935-36	2,60,26,525	Rs. 1,59,15,647*	The value realised is credited to Head P. "Deposits and Advances—Purchases and Sales of Silver" given in the Finance and Revenue Accounts.	*Excludes the amount of Rs. 46,39,503 realised in 1935-36 on account of silver sold in previous year.
1936-37	23,70,205	9,78,915†		†Includes the amount of Rs. 79,880 actually realised in previous year.

NUMBER AND COST OF WAITING ROOMS AND WAITING HALLS CONSTRUCTED BY STATE-MANAGED RAILWAYS, ETC.

171. **THE HONOURABLE MR. HOSSAIN IMAM:** Will Government give the following information about the waiting rooms or halls constructed on Government-managed Railways during the last three years; the cost of each separately; the class for whose use made; the names of railway stations at which constructed; the value of tickets issued at railway stations in case of 1st and 2nd class waiting rooms?

THE HONOURABLE SIR GUTHRIE RUSSELL: The Honourable Member is referred to Chapter VII of the Reports of the Railway Board on the Indian Railways for the years 1934-35 and 1935-36, Vol. I, which give the class for whose use new waiting rooms or halls have been constructed, and the names of the railway stations at which constructed. The report for 1936-37 will be issued shortly. Government have no information as to the cost of each separately and consider that the value of this information would not be commensurate with the cost of obtaining it.

Government have no information as to the value of the tickets issued at railway stations where 1st and 2nd class waiting rooms have been provided. As such waiting rooms can be used *en route* on tickets issued from other stations, the information, if obtained, would not furnish a reliable criterion of the necessity for such waiting rooms.

THE HONOURABLE MR. HOSSAIN IMAM: Is it a fact that a waiting room for upper class passengers has been constructed at the terminal station

of a branch line on the N. W. R., where tickets of the value of even Rs. 100 per annum have not been sold in three years ?

THE HONOURABLE SIR GUTHRIE RUSSELL: If the Honourable Member will name the station, I shall be able to answer.

THE HONOURABLE MR. HOSSAIN IMAM: It is Qadian, Sir. May we know also the cost of construction ?

THE HONOURABLE SIR GUTHRIE RUSSELL: I believe there was a proposal to build a waiting room there but whether it has been built or not I do not know.

THE HONOURABLE MR. HOSSAIN IMAM: I am informed, Sir, that a waiting room has been built for the upper classes. Will the Government collect the information and lay it on the table of the House at some future date ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Are not we going to have an answer to that simple question ?

THE HONOURABLE SIR GUTHRIE RUSSELL: If the Honourable Member will put down a question I will give an answer.

THE HONOURABLE THE PRESIDENT: The Honourable Member is not bound to give an answer. No Member can insist on his obtaining an answer.

THE HONOURABLE MR. HOSSAIN IMAM: May I point out that the Honourable Member said that this would entail the Government collecting information and if there was any reason for my question he was prepared to answer it. That is why I gave my reason and I want him to promise to collect the information and lay it on the table of the House.

THE HONOURABLE SIR GUTHRIE RUSSELL: I do not think I can give an answer to a question without considering it. I have already said that if the Honourable Member will put down a question I shall answer it.

DEBTS DUE FROM PROVINCIAL GOVERNMENTS AND INDIAN STATES TO THE GOVERNMENT OF INDIA ON THE 1ST APRIL, 1937.

172. **THE HONOURABLE MR. HOSSAIN IMAM:** Will Government lay on the table a statement showing debts of each of the Provincial Governments and Indian States which they owe to the Government of India, together with the rates of interest and funding agreements made ?

THE HONOURABLE MR. A. J. RAISMAN: I lay on the table two statements showing the position in respect of (a) debts due from the provinces and (b) debts due from the States to the Central Government on the 1st of April, 1937.

Statement showing the debt of each of the Provincial Governments to the Government of India on the 1st of April, 1937.

	Consolidated debt repayable in semi-annual equated instalments spread over 45 years. (a)	Other debt with special terms as regards rate and repayments.	Short term loans granted in 1936-37 for Capital purposes or for covering deficit at the end of the year. (e)	Total.
Madras	7,56,55	.. (b)	..	7,56,55
Bombay	22,53,86	10,60,76	..	33,14,62
Bengal .. ..	..	..	..	..
United Provinces ..	25,77,05	..	..	25,77,05
Punjab	17,00,59	10,00,00 (c)	..	27,00,59
Bihar .. ..	..	..	..	..
Central Provinces ..	3,30,25	..	44,51 (approximately).	3,74,76
Assam .. ..	..	..	31,76 (approximately).	31,76
North-West Frontier Province.	..	..	35,00	35,00
Orissa .. ..	..	.. (d)	..	..
Sind	4,25,36	25,01,58	..	29,26,94
Total	80,43,66	45,62,34	1,11,27	1,27,17,27

(a) The actual consolidated rates of interest are not yet known. The estimated rates are as follows :—

Madras, Bombay and Central Provinces	4½%
Punjab, United Provinces and Sind	4%

(b) Of this 7,26,76 is repayable in equated instalments covering principal and interest and 3,34,00 in fixed instalments with accrued interest. The former consists of various loans advanced from 1921-22 to 1935-36 at rates varying from 3½% to 5½%. The latter consists of loans advanced from 1921-22 to 1925-26 at rates varying from 4½% to 5½%.

(c) This loan will carry a rate of 3½% interest and is repayable by arrangement on any date after the 1st April, 1937.

(d) This is debt incurred on account of the Lloyd Barrage. From and after the 1st April, 1942 it will carry interest at 4½% and capital repayments will be as follows :—

1942-43 to 1956-57 (15 years)	75 lakhs a year.
1957-58 to 1966-67 (10 years)	60 lakhs a year.
From 1967-68 onwards	50 lakhs a year.

(This loan will have to be cleared in any case by the 31st March, 1982.)

The Barrage debt consists of many loans at various rates of interest. Until the 1st April, 1942 no specific amortisation arrangements will be made but all net receipts from the Barrage will be taken in liquidation of the Barrage debt.

(e) These short-term loans bear a rate of 1½% interest and are repayable within 18 months from the 31st March, 1937.

Statement showing all loans granted to Indian States which are still outstanding.

Name of State.	Amount of loans.	Purpose.	Terms.	
			Rate of interest.	Annual instalment.
	Rs.	1923.		
Phaltan ..	3,00,000	Rehabilitation of State Finances.	6%	Rs. 30,000 plus interest.
		1933.		
Tripura ..	9,00,000	Rehabilitation of State Finances.	6%	Rs. 92,866.
Alwar ..	25,00,000	Rehabilitation of State Finances.	4½%	Rs. 2,44,000.
		1934.		
Tonk ..	1,50,000	Construction of a bridge on an important road passing through the State.	4½%	Rs. 15,000.
Bahawalpur ..	32,03,200	Payment of debts in the Account Current.	4½%	Rs. 3,03,414-12-9.
		1935.		
Bahawalpur ..	12,41,95,900	State's share of expenditure on the Sutlej Valley Project.	Principal and interest are to be repaid in 50 years by instalments rising from Rs. 15 lakhs in 1935-36 to Rs. 55 lakhs in 1944-45 and subsequent years.	
Dhrangadhra ..	55,00,000	Rehabilitation of State Finances.	4%	Rs. 3,52,000 (approximately).
Dir ..	2,00,000	Assistance in administration of State whose stability is an important element in North-West Frontier policy.	Free of interest.	Rs. 10,000.
		1936.		
Chitral ..	1,00,000	Assistance in administration of State whose stability is an important element in North-West Frontier policy.	Free of interest.	Rs. 10,000.

SUPPLY OF MEDICINES TO RAILWAY HOSPITALS AND DISPENSARIES ON STATE-MANAGED RAILWAYS.

173. THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY :
(i) Will the Honourable Member in charge of the Railways be pleased to state whether in all State Railways, except the E.B.R., medicines are supplied to railway hospitals and dispensaries direct from the Government Medical Stores ?

(ii) If the reply to (i) above be in the affirmative, why the E.B.R. does not fall in to line with the other State Railways in this matter ?

THE HONOURABLE SIR GUTHRIE RUSSELL : The information is being collected and will be laid on the table of the House in due course.

CAPITAL AND REVENUE ACCOUNTS OF THE B.N.R. FOR 1936-37.

174. THE HONOURABLE MR. SITAKANTA MAHAPATRA : (a) Will Government be pleased to state whether they are in possession of the Capital and Revenue Accounts of the B.N.R. for the year 1936-37 ?

(b) If so, will they be pleased to lay a copy of it on the table ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) Yes.

(b) Government do not consider it necessary to place a copy of the document on the table. The main aspects of the financial results of working of the B.N.R. for the year 1936-37 will, however, be published in the Report by the Railway Board on Indian Railways for 1936-37 in due course ; copies of which will be placed in the Library of the Legislature and will be supplied to Members of the Legislature on requisition.

THE HONOURABLE MR. SITAKANTA MAHAPATRA : Are these documents confidential ?

THE HONOURABLE SIR GUTHRIE RUSSELL : They are certainly not confidential because the Honourable Member has got a copy of them.

THE HONOURABLE MR. SITAKANTA MAHAPATRA : Are they available for purchase ?

THE HONOURABLE SIR GUTHRIE RUSSELL : They are not published.

THE HONOURABLE MR. SITAKANTA MAHAPATRA : Are they available in the Library ?

THE HONOURABLE SIR GUTHRIE RUSSELL : Sir, this whole question was thrashed out on the last day we met. There were about ten supplementaries on the same question.

LICENCE FEES OBTAINED BY THE B.N.R. FROM INDIAN CATERERS.

175. THE HONOURABLE MR. SITAKANTA MAHAPATRA : (a) Will Government be pleased to state whether for the years 1933-34, 1934-35 and

1935-36, Rs. 1,08,816, Rs. 1,00,056 and Rs. 85,539 were respectively obtained by the B.N.R. as licence fees from sale of third class Indian catering ?

(b) If not, what are the amounts ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) Yes.

(b) Does not arise.

AMOUNT OBTAINED BY THE B.N.R. FROM ADVERTISEMENTS.

176. THE HONOURABLE MR. SITAKANTA MAHAPATRA : (a) Will Government be pleased to state whether for the years 1933-34, 1934-35 and 1935-36, Rs. 8,659, Rs. 6,169 and Rs. 7,337, respectively, were obtained by the B.N.R. from advertising ?

(b) If not, what are the amounts ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) Yes.

(b) Does not arise.

CREDITING OF THE AMOUNTS OBTAINED FROM LICENCE FEES FROM INDIAN CATERING AND ADVERTISEMENTS TO THE PROFIT AND LOSS ACCOUNT OF THE B.N.R. CATERING DEPARTMENT.

177. THE HONOURABLE MR. SITAKANTA MAHAPATRA : Will Government be pleased to state whether both the licence fees from the sale of third class Indian catering and the amount obtained from advertising, as stated in the preceding two questions, went into the Catering Department of the B.N.R. ?

THE HONOURABLE SIR GUTHRIE RUSSELL : The amounts have been credited to the Profit and Loss Account of the B.N.R. Catering Department.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member refer to his own speech delivered on the 12th March, 1937 ?

THE HONOURABLE THE PRESIDENT : That is no question at all.

LOSSES SUFFERED BY THE B.N.R. CATERING DEPARTMENT.

178. THE HONOURABLE MR. SITAKANTA MAHAPATRA : (a) Will Government be pleased to state whether the Catering Department of the B.N.R. suffered net losses amounting to Rs. 14,150, Rs. 11,584 and Rs. 15,698 for the years 1933-34, 1934-35 and 1935-36, respectively, excluding hotels and including dining cars and refreshment rooms ?

(b) If not, what are the amounts ?

(For reply, see under question No. 180.)

LOSSES SUFFERED BY THE B.N.R. HOTEL, PURI.

179. THE HONOURABLE MR. SITAKANTA MAHAPATRA : (a) Will Government be pleased to state whether for the years 1933-34, 1934-35 and 1935-36, the B.N.R. suffered a net loss of Rs. 12,382, Rs. 4,973 and Rs. 1,669, respectively for the hotel at Puri ?

(b) If not, what are the amounts ?

(For reply, see under question No. 180.)

LOSSES SUFFERED BY THE B.N.R. HOTEL, RANCHI.

180. THE HONOURABLE MR. SITAKANTA MAHAPATRA : (a) Will Government be pleased to state whether for the years 1933-34, 1934-35 and 1935-36, the B.N.R. "suffered a loss of Rs. 12,205, Rs. 49,731 and Rs. 6,540, respectively, for the hotel at Ranchi ?

(b) If not, what are the amounts ?

THE HONOURABLE SIR GUTHRIE RUSSELL : With your permission, Sir, I propose to reply to questions Nos. 178, 179 and 180. With the exception of the figure shown in regard to the working of the hotel at Ranchi for the year 1934-35 which should be a loss of Rs. 10,269 and not Rs. 49,731, the figures given by the Honourable Member are correct in so far as they go. They, however, only reflect the position taking the Catering Department, etc., as single units of the Railway organisation. I am assured by the B.N.R. Administration that taking other factors into consideration the Catering Department and hotels are profitable undertakings.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Is it a fact that the Honourable Member stated in March last that the Catering Department is run at a profit ?

THE HONOURABLE SIR GUTHRIE RUSSELL : In my speech in March last I made that statement.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Do the facts now show that the Department is not being run at a profit ?

THE HONOURABLE SIR GUTHRIE RUSSELL : What I have tried to indicate in my reply is that from a purely accounts point of view and taking the Catering Departments as single units there is a loss, but that taken in conjunction with the rest of the Administration they are run at a profit.

THE HONOURABLE MR. HOSSAIN IMAM : May I ask whether the loss from the accounts point of view was mentioned in the Administration Report of the Railway to which the Honourable Member has referred us ?

THE HONOURABLE SIR GUTHRIE RUSSELL : I am afraid I must have notice of that question. I cannot remember the whole of the Administration Report.

THE HONOURABLE MR. HOSSAIN IMAM : May I suggest, Sir, that the account, as published by the Railway Administration does not give the true state of affairs ?

THE HONOURABLE THE PRESIDENT : That is no question. That is your inference.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Sir, is it not a fact that in March last we were considering the question of profit and loss in regard to the Catering Department ?

THE HONOURABLE SIR GUTHRIE RUSSELL : I think I stated that the figures supplied by the Railway Administration showed a profit and I actually

gave the figures of profit for each activity, and I think I explained then, or should have explained, that that took into consideration other factors such as the increased traffic and factors of that description. That is how the profit was made up.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : How is it the Honourable Member omitted to mention this important fact which he has now mentioned ?

THE HONOURABLE SIR GUTHRIE RUSSELL : I cannot say that I did omit to do so. But if I did omit it I should not have done so.

THE HONOURABLE THE PRESIDENT : I must intervene at this stage as regards members' right to put supplementary questions. Some time ago I gave a ruling in this House that supplementary questions should only be asked for the purpose of clearing up any ambiguity in the reply or requiring information in regard to any doubt that may exist. Supplementary questions are not to be asked in respect of matters distantly connected with the original question. I have been a little lax myself in seeing that this ruling is studiously observed, for the simple reason that I wanted to give a more authoritative ruling on this subject. I am collecting certain information from England at present and I propose shortly to review the whole situation—the privilege of putting supplementary questions, the lengths to which this right can possibly extend, and the limitations thereof. I would also draw the attention of this Council to the fact that these supplementary questions, as they have been asked for the last few days, have been obstructing the legitimate work of this House. There are several Resolutions which have appeared on the list of business from day to day and we have not been able to dispose of them, nor is it possible within the two official days we have, if this extensive practice of asking supplementary questions continues, that we will be able to finish our work. I appeal to Honourable Members again to be reasonable in the matter of putting supplementary questions till I have given a formal and authoritative ruling after gathering information on this question of the right to put supplementary questions.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Sir, will you allow me to make an observation or two with regard to the remarks that have just fallen from you. We do not question your right, Sir, to interpret your duties in any way that you consider proper.

THE HONOURABLE THE PRESIDENT : I only interpreted to what extent you possess privilege or right to put supplementary questions and to what extent you can legitimately exercise it.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But you observe, Sir, that we have exercised the right of putting supplementary questions in an improper manner. You will allow me to say, Sir, that we hold entirely different views on the question, but since we are bound by your decisions here, my Party have authorised me to say that they have decided, in view of the temper and tone of your remarks, and as a protest against them not to put a single question for which they are responsible today.

THE HONOURABLE THE PRESIDENT : I have already given my ruling on the subject weeks ago—an authoritative ruling—and it was the duty of Honourable Members, till that ruling was revised, to have followed it. At the same time, I have been very indulgent to Honourable Members of this House. As far as possible I will not prevent them from putting any reasonable questions. But when this right is indefinitely exercised in respect of almost every matter, either not connected or most distantly connected with the question, I think I have a right to bring this to the notice of Honourable Members.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : May I say, in justice to the Members of my Party, that the extent to which the right of putting supplementary questions is used here as compared with the practice prevailing in the Assembly on the subject—

THE HONOURABLE THE PRESIDENT : Order, order. I have nothing to do with the Assembly. I am presiding in this House.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I thought, Sir, you would be willing to bear in mind that the Assembly had been presided over by distinguished persons.

THE HONOURABLE THE PRESIDENT : Of course it is presided over by distinguished persons. That does not mean that I am not free to exercise my judgment in connection with matters which arise in this House.

The Honourable Mr. Sitakanta Mahapatra.

THE HONOURABLE MR. SITAKANTA MAHAPATRA : I do not propose to put any of my questions, Sir.

THE HONOURABLE THE PRESIDENT : The Honourable Mr. Motilal.

THE HONOURABLE MR. G. S. MOTILAL : I do not want to put my questions, Sir.

THE HONOURABLE THE PRESIDENT : The Honourable Sardar Buta Singh.

STEPS TAKEN BY THE RESERVE BANK OF INDIA IN REGARD TO RURAL CREDIT.

181. **THE HONOURABLE SARDAR BUTA SINGH :** Will Government please state what steps the Reserve Bank is taking for organising rural credit ?

THE HONOURABLE MR. A. J. RAISMAN : I refer the Honourable Member to the report submitted under section 55 (I) (b) of the Act by the Reserve Bank. A copy of the Report is in the Library of the House.

FILLING UP OF THE POST OF VICE-CHAIRMAN, IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

182. **THE HONOURABLE SARDAR BUTA SINGH :** Will the Honourable Member for Education, Health and Lands please state why the post of Vice-Chairman of the Imperial Council of Agricultural Research has been kept vacant so long ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : In view of a possible re-organisation of the Secretariat it is proposed to continue the present arrangement.

THE HONOURABLE THE PRESIDENT : The Honourable Rai Bahadur Lala Ram Saran Das.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : In view of the statement made by the Honourable Mr. Kuneru, on behalf of my Party, I do not want to put the questions standing in my name.

INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE.

ACTION TAKEN ON THE RECOMMENDATIONS OF THE DRUGS ENQUIRY COMMITTEE.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member): Sir, I lay on the table the information promised in reply to question No. 59 asked by the Honourable Sir Phiroze Sethna on the 12th March, 1937.

The following action has already been taken :

- (i) A Biochemical Standardisation Laboratory consisting of a Bio-assay sub-section and a Pharmaceutical sub-section has been established at Calcutta under Brevet-Colonel R. N. Chopra, I.M.S., in pursuance of the 6th recommendation of the Drugs Enquiry Committee (*vide* paragraph 404 of the Committee's Report).
- (ii) The Imperial Council of Agricultural Research is financing, in pursuance of the 79th recommendation of the Drugs Enquiry Committee (*vide* paragraph 477 of the Committee's Report), an investigation into the systematic cultivation of medicinal plants under the direction of Brevet-Colonel Chopra.
- (iii) A Bill to regulate the import into British India of drugs and medicines, framed in pursuance of the 1st recommendation of the Drugs Enquiry Committee (*vide* paragraph 399 of the Committee's Report), was introduced in the Legislative Assembly on the 23rd August, 1937.

In February, 1935, there were published in the *Indian Journal of Agricultural Science* :—

- (i) a list of important indigenous drugs which grow, or are cultivated, in India and for which there is a good market ; and
- (ii) a list of pharmacopoeial drugs and substitutes grown in India.

The Advisory Board of the Council discussed the matter in February, 1936 and, on its recommendation, a reference was made in June, 1936 to all Provincial Governments and some Indian States asking them—

- (i) to make enquiries about the state of demand in India for medicinal drugs and
- (ii) to make a survey of medicinal plants cultivated by ryots.

Replies have been received from a large number of Provincial Governments and States and these are under examination in the Council.

2. A copy of the recent correspondence between the Government of India and Provincial Governments has been placed in the Library of the House for information.

AGREEMENT BETWEEN THE RESERVE BANK OF INDIA AND THE GOVERNMENT OF THE NORTH-WEST FRONTIER PROVINCE LAID ON THE TABLE.

THE HONOURABLE MR. A. J. RAISMAN (Finance Secretary): Sir, I lay on the table a copy of the Agreement between the Reserve Bank of India and the Government of the North-West Frontier Province.

Agreement between the Governor of the North-West Frontier Province and the Reserve Bank of India.

AN AGREEMENT made this fourteenth day of April one thousand nine hundred and thirty-seven, BETWEEN THE GOVERNOR OF THE NORTH-WEST FRONTIER PROVINCE of the one part and THE RESERVE BANK OF INDIA (hereinafter called "the Bank") of the other part WHEREAS the Bank was constituted and incorporated and is regulated by the Reserve Bank of India Act, 1934 (being Act No. II of 1934) as adapted and modified pursuant to the Authority contained in section 293 of the Government of India Act, 1935, by an Order of His Majesty in Council, dated the eighteenth day of March 1937, cited as the India and Burma (Burma Monetary Arrangements) Order, 1937 (hereinafter called "the Act") with and subject to the various powers, provisions and restrictions in and by the Act set forth and it was thereby *inter alia* particularly provided as follows, viz :—

(1) by section 20 of the Act that the Bank should undertake to accept monies for account of Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt and

(2) by section 21 (1) of the Act that Provincial Governments should entrust the Bank on such conditions as might be agreed upon with all their money, remittance, exchange and banking transactions in India and, in particular, should deposit free of interest all their cash balances with the Bank provided that nothing in that sub-section should prevent Provincial Governments from carrying on money transactions at places where the Bank has no branches or agencies and that Provincial Governments might hold at such places such balances as they may require and

(3) by section 21 (2) of the Act that Provincial Governments should entrust the Bank, on such conditions as might be agreed upon, with the management of the public debt and with the issue of any new loans.

NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED by and between the said parties hereto as follows, that is to say :—

1. This agreement shall be deemed to have come into force on the first day of April, one thousand nine hundred and thirty-seven.

2. The general banking business of the Government of the North-West Frontier Province (hereinafter referred to as "the Government") including the payment, receipt, collection and remittance of money on behalf of the Government shall be carried on and transacted by the Bank in accordance with and subject to the provisions of this agreement and of the Act and with and to such orders and directions as may from time to time be given to the Bank by the Government through any Government officer or officers authorised by the Government in that behalf and at any of the offices, branches or agencies of the Bank for the time being in existence as may from time to time be so directed and for this purpose such accounts shall be kept in the books of the Bank and at such offices, branches or agencies of the Bank as shall be necessary or convenient or as the Government shall from time to time direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its cash balances at any places at which for the time being the Bank shall have an office, branch or agency and the Bank shall subject to such orders

as may from time to time be given by the Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government regarding the receipt, collection payment and remittance of money and other matters, as is usually transacted by bankers for their customers. The Bank shall make the said monies at the said offices, branches and agencies available for transfer to such places and at such times as the Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government and the performance of all the duties relating thereto respectively including the collection and payment of interest and principal and the consolidation, division, conversion, cancellation and renewal of securities of the Government and the keeping of all registers, books and accounts and the conduct of all correspondence incidental thereto shall be transacted by the Bank at its offices in Bombay, Calcutta and Madras and at any of its offices, branches or agencies at which respectively the administration of any portion or portions of the public debt of the Government is for the time being conducted or interest thereon is for the time being payable and the Bank shall also keep and maintain such registers, books and accounts in respect of the said public debt as the Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Government in the management of the said public debt and shall conduct such agency subject to such orders and directions with regard to the general management thereof as may from time to time be given to the Bank by the Government.

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon, and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank from time to time :

Provided that if the Government wishes to remit funds outside the area within its jurisdiction, except as otherwise provided for in this agreement, the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to banks referred to as " scheduled banks " in Section 42 of the Act, subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of the minimum balance prescribed under Clause 5 and any subsidiary agreement provided under the clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for purchases or conversions) at the rate of 1/16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Government half-yearly commission at the rate of Rs. 2,000 per crore per annum on the amount of the public debt as aforesaid at the close of the half-year for which the charge is made. In calculating this charge the following amounts shall be excluded from the amount of public debt, viz :—

- (a) The amounts of loans discharged outstanding after one year from the date of a notice of discharge.

- (b) The amount of stock certificates for Rs. 50,000 and upwards held by the Government or by any officer or officers of the Government authorised in that behalf, provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Government a fixed sum of Rs. 2,000 a year on account of the stock certificates referred to in head (b) of this clause and the Bank shall be also entitled to charge the public (but not the Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Governor-General under the powers conferred upon him by the Indian Securities Act, 1920 (Act No. X of 1920) for duplicate securities and for the renewal, consolidation, division or otherwise of all Government Securities which the Bank issues :

Provided that loans not directly issued by the Government but issued under the guarantee, of the Government shall not be included in the calculation for the purpose of this clause but shall be a matter for separate arrangement if the management for such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the North-West Frontier Province as the Government may, with the previous sanction of the Central Government, prescribe and the Government shall provide sufficient accommodation for such chests as may be required for the deposit of notes or coin and shall be responsible to the Bank for the safe custody of the said chests, notes and coin. The Bank shall keep the said chests supplied with sufficient notes and coin to provide currency for the transactions of the Government and reasonable remittance facilities to the public at the said places. The Government shall supply the Bank with such information and returns as the Bank may from time to time require as to the composition of the balances in the said chests and the amount and nature of the transfers to and from the said chests. The Bank shall have access to the said chests at all reasonable times for the purpose of inspecting and checking the contents. The Government shall be responsible to the Bank for the examination and correctness of coin or notes at the time of deposit in or withdrawal from the said chests.

10. The Bank shall not be at liberty to close any of its offices or branches except on Sundays, New Year's Day, Christmas Day, Good Friday and on any other day declared to be a public holiday by any notification published in pursuance of the Negotiable Instruments Act (Act XXVI of 1881) subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government and the Bank shall be responsible that no one of its agencies doing Government business for the time being existing shall be closed except on Sundays and on public holidays authorised by the Government within whose jurisdiction such agencies may be respectively situated.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents in conducting the business of the public debt aforesaid or the payment of interest or discharge value thereon or the renewal, conversion, consolidation, sub-division or cancellation of any Government security shall rest with and be borne by the Bank provided however that it shall not be incumbent on the Bank to verify signatures and endorsements on Government securities which *prima facie* appear to be in order and in the acceptance of which the Bank shall not be guilty of any negligence and in such cases no liability shall be incurred by the Bank in respect thereto PROVIDED ALSO that in regard to the ordinary banking business at the offices, branches and agencies of the Bank of receiving and realising money and securities for money on account of the Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it from time to time at the market rate of the day for telegraphic transfers, subject to the proviso that if a large transfer has to be effected in connection with the floatation or repayment of a sterling loan or analogous operation, an

if it is considered by either party to be inappropriate to apply the rate of a single day, an average rate based on a longer period may be fixed by agreement between the two parties.

13. This agreement may be determined by either party giving to the other party one year's notice in writing expiring on the 31st day of March in any year, such notice if given by or on behalf of the Government to be addressed to the Governor of the Bank and to be served by leaving the same with the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post, and if given by the Bank to be served by leaving the same with or addressing the same by registered post to the Secretary to the Government in the Finance Department and immediately upon the expiration of such notice this agreement shall absolutely cease and determine save as to rights or liabilities acquired or incurred prior to such termination.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor-General whose decision shall be final and binding as between the parties hereto.

15. Nothing in this agreement shall operate to affect in any way the obligations imposed either on the Government or on the Bank by or under the Act or any subsequent amendment or amendments of the Act.

16. The Bank shall be entitled to perform all or any of the matters contained in this agreement through such agency or agencies as may be prescribed by the Act or any amendment thereof or as may be approved by the Government.

IN WITNESS WHEREOF Rai Bahadur Chuni Lal, Secretary to the Government of the North-West Frontier Province in the Finance Department by the order and direction of the Governor of the North-West Frontier Province has hereunto set his hand and the common seal of the Reserve Bank of India pursuant to a Resolution of its Central Board has been hereunto affixed in the presence of its subscribing officials the day and year first above written.

Signed by the said Rai Bahadur Chuni Lal, Secretary to the Government of the North-West Frontier Province in the Finance Department for and on behalf of the Governor of the North-West Frontier Province in the presence of -

(Sd). CHUNI LAL,
*Secretary to the Government
of the North-West Frontier
Province, Finance
Department.*

(Sd.) J. R. L. BRADSHAW,
*Secretary to the Government of the
North-West Frontier Province,
Development Department.*

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sir Purushotamdas Thakurdas, Kt, C.I.E., M.B.E., and Sir Homi Mehta, two of its Directors and Sir James Braid Taylor, Kt., C.I.E., its Deputy Governor.



(Sd.) PURUSHOTAMDAS
THAKURDAS,
(Sd.) HOMI MEHTA,
Directors.
(Sd.) J. B. TAYLOR,
Deputy Governor.

LIBRARY COMMITTEE OF THE INDIAN LEGISLATURE.

THE HONOURABLE THE PRESIDENT : Honourable Members, the death of the late Mr. B. K. Basu created a vacancy on the Library Committee of the Indian Legislature. I am to inform the House that the Honourable Pandit Hirday Nath Kunzru has accepted my invitation to fill the vacancy.

RESOLUTION *RE* NOMINATION OF MEMBERS OF THE U.T.C. TO THE INDIAN MILITARY ACADEMY, DEHRADUN—*contd.*

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadian) : Mr. President, the day before yesterday I moved the Resolution* relating to the U.T.C. which stands in my name. The object of this Resolution, Sir, is to make the best use of the material that we possess in the U.T.C. The members of the U.T.C. are people who are receiving the highest available education and it is only right that the nation should expect that men on whose education it is spending large sums should be enabled to occupy positions where they would be able to serve their country adequately. The principle, Sir, is a perfectly simple one. It is quite right that the members of the U.T.C. should go through all the training prescribed for an ordinary soldier. They must start from the lowest rung of the ladder in order that they may learn their duties efficiently. But it is not right that their training should stop there. Take, Sir, the case of industry. We know of highly educated young men who start from very humble positions but who because of the education that they possess learn their duties quickly and are promoted by the management to higher posts commensurate with their intellectual ability and practical capacity. If these educated young men were asked all their lives to serve as labourers or foremen, we would have a legitimate cause of complaint against the system that resulted in the waste of abilities of a high order.

In the Defence Department I regret to say that this principle is not observed. Members of the U.T.C. have at present very limited opportunities of rising to positions of responsibility. For the most part their training is confined to that which is given to an ordinary soldier. Now, this used to be the case till a few years ago in England also. The Universities there had Cadet Corps the purpose of which was very different from that of the O.T.Cs. which took their place in the time of Lord Haldane. Lord Haldane who took a great interest in the O.T.Cs. made some observations on this subject in the course

* " This Council recommends to the Governor General in Council that (a) the warrant and non-commissioned officers of the U.T.C. be rendered eligible for nomination to the Indian Military Academy on the same terms as those applicable to officers of the corresponding grades in the other branches of the I.T.F. and in the A. F. (I.) and (b) the examination for the " B " certificate be instituted for the members of the U.T.C. with a view to their utilisation for the supply of commissioned officers in ways similar to those prescribed for the O.T.Cs. in England. "

[Pandit Hirday Nath Kunzru.]

of an address which he delivered in 1912 as Chancellor of the University of Bristol, to which I would like to invite the attention of this House. He said :—

“The Officers' Training Corps differs widely from the old Volunteer or Cadet Corps which used to be the medium through which the 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 a waste of splendid material to aim at the production of nothing higher than this from University students and that what we now desired was to get from them a reserve of educated men who had had sufficient training as officers to be available in the event of war”.

Lord Haldane proceeded on the principle that it was in the interest of the nation concerned that it should utilise highly educated young men in such a way that they may best be able to serve their country. He was not speaking from the point of view of the careers of the young men themselves, but entirely from the point of view of the nation. And if I may be allowed to say so, my object in bringing forward this Resolution is the same. I am thinking not of the individual but the country.

Some time ago a Committee known as the Indian Auxiliary and Indian Territorial Force Committee considered questions relating to the non-regular military forces of the Crown in India, and in considering these problems it made observations which I think support the argument that I have now placed before the House. Speaking of the U.T.Cs. the Committee said :—

“We envisage the U.T.Cs. of the future not only as a school training the young idea in elementary military matters but as the recognized recruiting ground for officers, non-commissioned officers and men of the I.T.F. and later also as a potential source of supply of candidates for commissions in the Regular Army”.

It is clear from this, Sir, that the Committee desired that members of the U.T.C. should, if they proved fit, have opportunities of becoming officers in the I.T.F. and that later on they should also receive commissions in the Regular Army. But at the present time we find that instead of much progress having been made since this Committee reported, things are pretty much in the same position in which they were when the Report of the Committee was published, that is in the year 1925.

The first part of my Resolution deals with the position of the warrant and non-commissioned officers of the U.T.Cs. in regard to nomination to cadetships at the Indian Military Academy. His Excellency the Commander-in-Chief has at present the right to nominate 30 cadets annually to the Indian Military Academy at Dehra Dun. Now, these men may be either the Viceroy's commissioned officers and non-commissioned officers of the Provincial and Urban units in the I.T.F. or warrant and non-commissioned officers of the A.F.(I.). The non-commissioned officers and warrant officers of the U.T.Cs. have been expressly excluded by Regulation 46 from eligibility for nomination to the Indian Military Academy. Now, it is true that the U.T.C. is not regarded as a combatant unit, but the O.T.Cs. at British Universities are not regarded any more as combatant units, yet they receive the fostering care of the General Staff and every effort is made to give them a training which would enable them to serve their country both in times of peace and

danger as officers. Yet here, not merely have no openings been provided for the members of the U.T.C. to enter the Regular Army in responsible positions, but they are expressly debarred from being nominated to the Indian Military Academy by His Excellency the Commander-in-Chief, even though the commanding officers of their units may think well of them. The fact that the U.T.C. is not a combatant unit does not in my opinion affect the question at issue at all. All that we are concerned with is the fitness of the individuals concerned.

And now I come to the second part of my Resolution which asks that an examination for the "B" certificate be instituted for the members of the U.T.C. with a view to their utilisation for the supply of officers in ways similar to those prescribed for the O.T.Cs. in England. Sir, if we consider the general principles on which the U.T.C. has been formed, we find that there is a general resemblance between the regulations relating to the U. T. Cs. in India and the regulations relating to the O.T.Cs. at the British Universities. Whether you consider general principles or the training the similarity seems to me to hold good. It appears to me that the person who drafted these regulations for the U.T.Cs. had the regulations relating to the O.T.Cs. before him. I would only make one quotation in order to show the similarity between these two organisations. The definition of the general principles underlying O.T.Cs. have been changed from time to time. I am taking the definition as it stood

12 Noon.

a few years ago when the regulations for the U.T.Cs. were drafted and I find from the Armaments Year Book of the League of Nations, 1936, that—

"The primary object of the O.T.Cs. is to provide students at schools with elementary military training, with a view to eventual appointment to commissions in the Supplementary Reserve or the Territorial Army. Its secondary object is to provide a potential reserve of young officers to meet a national emergency".

It is also laid down that—

"The object of all training in the O.T.Cs. is to inculcate the principles of leadership of men in the field, and to bring the largest possible number of cadets up to the standard of proficiency indicated by the syllabus laid down for the examination for certificates "A" and "B".

And now I ask Honourable Members to listen to the regulations laying down general principles and defining the object of the training provided for the U.T.Cs. in India. With regard to general principles it is laid down that—

"The primary object of the U.T.C. is educational. It is the foundation upon which the I. T. F. is built, and is a recognised recruiting ground for the officers, non-commissioned officers and men of that Force".

As regards the training it is said that—

"The object of all training in the U.T.C. is the inculcation of the principles and practice of military service, instruction in the leadership of men, the spirit of patriotism and sense of discipline, the improvement of physique, and the formation of a training ground for the officers, non-commissioned officers and men of the I. T. F. "

These quotations, Sir, will serve to establish the general similarity of aim of the U.T.C. and the O.T.C. It seems to me that when these regulations were laid down it was perhaps intended that in the course of a few years the members of the U.T.C. should be provided with training which would enable

[Pandit Hirday Nath Kunru.]

them to serve their country in a capacity in which less educated men cannot be expected to serve it. But I am sorry to say that notwithstanding the aim implied in the regulations laid down for the Corps nothing has been done to bring it within reach of accomplishment.

I have already stated that the members of the O.T.C. in England can be appointed to the Special Reserve of Officers or as commissioned officers in the Territorial Army. I ought to add that officers required for the Army may be chosen from the Special Reserve of Officers and that members of the O.T.C. can get commissions in the Regular Army too. I am unable to state just now to what extent they can get direct commissions in the Regular Army, but a few years ago when I had an opportunity of visiting the Royal Military College at Sandhurst, I was informed that the authorities favoured recruiting men from the University as cadets and also giving them direct commissions.

Sir, I have asked that a "B" certificate examination be instituted here. The reason is this. In England members of the O.T.C. are expected to pass two examinations, the certificate "A" and certificate "B" examinations. Certain conditions with regard to qualifications and age are laid down and cadets fulfilling those conditions are expected to go up for these examinations. A few years ago there were about 4,500 members, I believe, in the senior division of the O.T.C., that is, the Corps existing at the Universities and about 20 Universities had contingents which received training directly under the supervision of the General Staff. Now, this question of instituting certificates for "A" and "B" examinations has been considered several times during the last few years. When there was an Indian Territorial Force Central Advisory Committee, I know that this question was considered more than once. Had the Committee remained in existence it was not unlikely that something could have been done on the subject, but unfortunately the Government of India ignoring their statutory responsibilities practically put an end to this Committee and consequently nothing has been done so far. Now, Sir, in asking that the "B" certificate examination should be instituted—and I ask for it because I understand that the present members of the U.T.C. can go up for certificate "A" examination but not for certificate "B" examination—I am supported by the recommendations of the Shea Committee. This is what the Indian Auxiliary and Territorial Force Committee have said :

"A special certificate or certificates of proficiency should in course of time be instituted in U.T.C. units on the lines of the "A" and "B" certificates in O.T.Cs. in England, the holders of which should be entitled to a proportion of marks in the competitive examination for Sandhurst, provided that they qualify in all the subjects of the examination in which it is necessary for them to qualify".

It should be noted that this Committee recommended not merely that there should be "A" and "B" certificate examinations at the Universities but that the successful candidate should be entitled to a valuable privilege in the competitive examination for Sandhurst and this recommendation, let me say, was made on the analogy of the privileges enjoyed by men possessing the "B" certificate in the O.T.Cs. at the British Universities. I do not know, Sir, when the time for instituting these examinations at the Universities will come. But all that we can say is that in the opinion of Indians

they should have been instituted long ago and that we are wasting precious time in not giving effect to the recommendations of the Shea Committee. Now, it may be said that the conditions in India are very different from those in England. In the first place, the training given at British Universities is of a higher order than that given at Indian Universities, and, in the second place, British youths enjoy practical opportunities of serving their country which Indian youths do not do at present. So far as the first point is concerned, I know that it came under the consideration of His Excellency the Commander-in-Chief last year in connection with the memorandum placed before him by a Committee of Members of the Central Legislature. His Excellency then expressed his inability to agree to the proposal to give direct commissions to University men, and drew the Committee's attention in this connection to the recommendations of the Skeen Committee. Now, Sir, the Skeen Committee was in favour of giving commissions to Indian graduates of British Universities and it asked for this purpose that Government should take steps to persuade the authorities of the British Universities to make Indians eligible for admission to the senior division of the O.T.C. as they were during the Great War. And speaking of Indian Universities, it said that it would be premature and infructuous to introduce such a system at the time it reported. But it said :

" The question may be revised with advantage at some future time but the decision will always depend, *inter alia*, on the extent to which Indian Universities are prepared to adapt their training to military requirements, and, for example, to introduce short courses on military subjects, as has been done by some Universities in the United Kingdom " .

Now, Sir, His Excellency the Commander-in-Chief himself quoted in this House last year the opinion of the Indian Military College Committee that since the Skeen Committee reported, school education had advanced considerably. I may say, Sir, that University education also has improved considerably since then. His Excellency also added, after quoting from the Report of the Indian Military College Committee of 1931, that further improvement had taken place since that Committee reported. It is obvious then, Sir, that, so far as the education imparted at Indian educational institutions is concerned, it has made considerable headway during the last ten years and that on educational grounds there can be no objection whatsoever to granting direct commissions to men at the Universities or to facilitate the granting of commissions to them by nominating them to the Indian Military Academy.

Now, with regard to the second point, that is, the adaptation of University courses to military requirements, His Excellency himself in addressing the Committee of Members of the Central Legislature spoke of the Army class at the Government College, Lahore. I may tell him that a certificate examination in military science has been started at the Allahabad University. I believe military science has been made one of the optional subjects of study at some of the other Universities also though I cannot name them with any certainty at the present time.

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON (Madras : Nominated Non-Official) : Nagpur.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Yes, Nagpur, and perhaps, Bombay. Well, we thus see, Sir, that the second condition too has been fulfilled by some of the Universities. I maintain therefore that the

[Pandit Hirday Nath Kunzru.]

time has come when the spirit of the recommendation made by the Skeen Committee should be carried out. This can be done only if the Military authorities change their angle of vision and regard our educated young men as an asset to the country, as a reserve on which they can draw in times of danger, as men who, in the words of the Shea Committee, will in future be leaders of men and will thus be able to help to diffuse the military idea in the country.

One word more, Sir, and I have done. I have referred several times to the Report of the Shea Committee, and have already said that the Shea Committee intended and that the regulations for the U.T.C. implied that the U.T.C. should in course of time provide officers for the I.T.F. Well, something has been done in this connection but it is very little indeed and I do not think that it can be said that there are many officers in the I.T.F. who have been trained in the U.T.C. The Shea Committee laid considerable stress on this point. Considering the question of the higher officers in the I.T.F. it said that in its opinion—

“ 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. Those who apply for this form of commission should be required to qualify by the same examination as is from time to time proscribed for Indian candidates for Sandhurst. In this examination a proportion of marks should be allowed to any candidate who possesses a satisfactory discharge certificate from a U.T.C.”

The Shea Committee thus wanted not merely that the I.T.F. officers should be chosen from the U.T.C. but that those who had undergone a regular training and were regarded as fit should be given certain privileges in the examination held to select commissioned officers. In this again, it was adapting to Indian requirements the view embodied in the regulations for the training of members of the O.T.C. at the British Universities to which I have already referred.

The facts, Sir, that I have placed before the House are, I think, sufficient to indicate both the importance of the subject and the weight of authority in favour of my arguments. The Shea Committee reported more than 12 years ago and the orders of the Secretary of State on the Report of the Committee were received more than 10 years ago. The Skeen Committee reported 10 years ago. While some changes have been made, while the strength of the U.T.C. has been increased in consequence of the recommendations of the Shea Committee, and changes have perhaps been made in the form of commissions granted to officers in the I.T.F., and so forth, the main recommendations of the Shea Committee and the Skeen Committee have yet to be carried out. We are told over and over again that the U.T.C. is in an experimental stage. If really we are going to provide young men of the Universities with no encouragement, if all that we can say to them is that they can aspire to nothing higher than the rank of warrant officer and that they have nothing to look forward to after leaving the University, I am afraid that there is no chance of the U.T.C. becoming more efficient than it is at present. But if the Military authorities are sympathetic—

THE HONOURABLE THE PRESIDENT: You have already spoken for 35 minutes.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : If the Military authorities take a sympathetic view of the matter, I am certain, Sir, that the young men, encouraged by the sympathy which they receive from them, will show themselves capable of higher things and be prepared to come to the help of the Defence Department in times of need and danger.

Sir, with these words, I commend my Resolution to the House.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution which has been so ably moved by my Honourable friend Mr. Kunzru. Sir, the impression in the public mind is that the policy of the Government of India as regards the enrolment of commissioned officers has been reversed. I say that because the status of the product of the Indian Military Academy has been lowered as compared to the King's commission. I also see that there is a feeling of resentment among the Indians on that account that the product of the Indian Military Academy will now practically be employed as dignified subedars and dignified jamadars. Sir, times are changing. In the world there is a great war approaching. The other day, the Honourable the Defence Secretary made a speech in the other House and said that the Indian Army at present, in time of need, is not sufficient enough to defend India. That is a controversial question in which I do not wish to go because of the limited scope of this Resolution. But I might say that the Government of India ought seriously to consider the subject of compulsory military training leading later on to conscription. They must train every adult for military work. Sir, at present there is disappointment in the units of the U.T.C. because admission from them to the Indian Military Academy is meagre. Therefore, Sir, I wish that His Excellency the Commander-in-Chief will very kindly see his way to accept the modest Resolution which has been proposed by my Honourable friend. Some time back, in this House, the late Commander-in-Chief pointed out that there was a dearth of suitable candidates for admission to the Indian Military Academy. A deputation of Members of both the Houses of the Central Legislature waited on His Excellency the present Commander-in-Chief and had a discussion on the subject and they suggested ways and means of attracting suitable recruits in bigger numbers. I shall request His Excellency the Commander-in-Chief to throw some light on the question as to what steps they have taken to induce more students for the Academy and take up an army career. The time is now ripe when military training should be given on a mass scale and the country prepared to defend itself by its own force in time of need.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Sir, in the first place, I propose to explain to Honourable Members the reason why members of the U.T.C. are not eligible for Indian Army cadetships.

It is mainly because they are regarded as a potential source of supply of suitable candidates for the open entrance examination to the Indian Military Academy, and their syllabus of training is designed for this purpose. Of the 30 vacancies available each half year at the Indian Military Academy 15 are reserved for open competition and 15 for Indian Army cadets, the latter catering for promotion from the ranks.

[His Excellency the Commander-in-Chief.]

In future, two only of these Indian Army cadetships will be reserved for the members of the A. F. (I.), of Indian domicile, and of the I. T. F., who possess the necessary qualifications. The whole reason for the institution of these Indian Army cadetships is to ensure that a certain proportion of the entries come from the enlisted classes, and an opportunity has been made to meet the claims of those who enlisted in the Territorials or in the A. F. (I).

Members of the U.T.C. who take the open competitive examination have a very definite advantage over those candidates who have no military training, as a substantial credit is given by the Interview Board, the amount actually depending on the standard of efficiency attained by the individual concerned. There is, therefore, no reason why they should be allowed to compete for the vacancies reserved for the enlisted classes, to which they do not properly belong.

The second part of the Resolution suggests that the examination for the " B " certificate should be instituted on the same lines as in England, with a view to the utilisation of members of the U.T.C. for the supply of commissioned officers.

In the first place, this possible source of supply is not at present required. The necessary number of suitable candidates for entry to the Indian Military Academy is forthcoming, and there is no intention at present of granting regular commissions in the Indian Army to persons other than those who pass through the Indian Military Academy.

In the second place, the standard at present attained by Indian U.T.Cs. cannot be said to compare with that obtained in the senior division of the O. T. C. in Great Britain, and the grant of direct commissions into the Indian Army from Universities in India would not at present be fair, either to the individual or to the Army.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Why do not the Government adopt such a syllabus in India ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I think that question will be answered a little later on.

Sir, in present circumstances, it is absolutely necessary that University candidates should enter the Regular Army through the normal channel of open competition, in order that they may receive the necessary preliminary training at the Indian Military Academy.

In the third place, it must not be imagined that even in England the obtaining of a " B " certificate entitles anyone to a commission in His Majesty's Forces. All it does is to give candidates who possess it a certain credit; University candidates are selected largely on other qualifications—the class of degree they have taken, their general record, and so on.

O.T.Cs. in England, it should also be remembered, are not intended as a source of supply of officers for the Regular Army; their primary purpose is exactly the same as that of the U.T.C. in India, that is to say, the supply of officers for Territorial units. In India, the U.T.C. has hardly begun to function for the purpose for which it is intended, and very few Territorial

Force officers are obtained at present from it. I shall shortly have an opportunity of explaining in detail to the House that we are alive to the defects of the U.T.Cs. and that we have taken steps to improve things in so far as we are able to do so. Their real future must, however, of course, depend upon public interest and local enthusiasm, and all that we can do is to offer them the best facilities in our power. This we are doing, and a new system of training has been devised, which, if the necessary spirit is forthcoming, should result in improvements.

Finally, I should like to emphasise one point. The Honourable Member has, I think, indicated that I am the villain in the piece in preventing members of the U.T.C. in India from entering the Regular Army.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Not at all.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : As I have shown they can at present enter not only by open competitive examination where they have a distinct advantage over candidates who are not members of the U.T.C., but they also have a chance of going to the Indian Military Academy through the I.T.F. where they get a further advantage in being eligible for nomination. Though I am not out of sympathy with the suggestion of the Honourable Mover with respect to the U.T.C., and though I am perfectly aware of the potential asset they afford for expansion in the case of an emergency, I regret, that at present, I have no option but to oppose the Resolution.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, from our point of view the speech which His Excellency the Commander-in-Chief has just delivered is distinctly disappointing. His Excellency's main argument was this. The 30 commissions which are reserved for nomination by His Excellency are meant for the enlisted classes. Now, we were told at question time that there was no distinction between martial and non-martial classes, that Government did not recognise any such distinction. It was not said, but the suggestion was that this distinction between martial and non-martial classes was an invention of the Indian political mind. His Excellency has referred to the enlisted classes and it is these enlisted classes whom we call the martial classes. Therefore, there is such a class as the martial class and these 30 nominations are reserved for these martial classes.

Now, so far as I am personally concerned, and I think I speak the mind of my Party also in this matter, I am opposed to the principle of nomination altogether. I would have all these 60 men recruited by open competition. I think it would be possible for us if we have open competition to make a reservation in the case of minority communities, but I am opposed to the principle of nomination altogether. But, if you have nomination, then you must not have nomination for the benefit of a particular class only. Why should then the members of the U.T.C. be denied the privilege of nomination? Sir, the Honourable Mr. Kunzru has pointed out that if some nominations were reserved for the members of the U.T.C. that Corps would become more popular with our boys. It would provide them with an honourable career as army officers. Mr. Kunzru has pointed out the part which the O.T.C. played during the Great War, and I would just refer to an extract from the *Encyclopædia Britannica*, Vol. 22, page 395. I find from it that during the world war no less than 35,000

[Mr. P. N. Saprū.]

officers were supplied by the O.T.Cs. That was the use that was made of the O.T.Cs. in England. That is the use to which the U.T.Cs. can be put if unfortunately there should be a war in which India has to participate. Sir, Mr. Kunzru also referred to the recommendations of certain committees. He referred to the Report of the Auxiliary and Territorial Force Committee and in that Report I find that there is a recommendation to this effect :

“ We therefore recommend in so far as direct commissions in the higher grades carrying with them British rank are concerned that only those who possess the same social and educational qualifications as are required of Indian candidates who desire to enter Sandhurst should be eligible for such commissions. 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 a satisfactory discharge certificate from their Corps ”.

Then, Sir, so far as the other part of the Resolution is concerned, namely, that there should be a “ B ” certificate examination also we find that the Auxiliary and Territorial Forces Committee was in favour of the institution of a “ B ” certificate examination. At page 51 they say :

“ Where Universities wish to institute examinations in military subjects, the Military authorities should co-operate in holding examinations for “ A ” and “ B ” certificates and in providing lectures on military subjects ”.

Now, Sir, the Honourable Mr. Kunzru has pointed out that there is a military class now in the Government College. We were told when we were serving at that informal Conference which His Excellency was pleased to invite that the military classes at Lahore were very successful. In the Allahabad University we have just instituted a course in military science and I believe that it was Sir Ramunni Menon who said that in Nagpur too they have introduced military science as a subject of study at the University.

THE HONOURABLE DIWAN BAFADUR SIR RAMUNNI MENON : Only as a subject for examination. I do not think there are any lectures in these subjects.

THE HONOURABLE MR. P. N. SAPRU : I cannot say anything about Nagpur, but in Lahore and in Allahabad courses have been instituted. Why should this question of the institution of a “ B ” certificate examination be not taken into consideration now ? Sir, it will be within the recollection of the House that some years ago Mr. Kalikar moved a Resolution in this House the object of which was to see that the quality of recruits to the Indian Military Academy was improved. Well, Sir, thereafter we had a Conference with His Excellency the Commander-in-Chief and I believe, Sir, that the line taken by His Excellency the Commander-in-Chief then was that they were getting a suitable class of candidate at present and that the question of more candidates would only arise when there was further Indianisation. Now, Sir, I think at that Conference, of which we had the privilege of being members, we pressed that some commissions should be given to the members of the U.T.C. Sir, we stick by the line that we took at that Conference and we hope that notwithstanding the reply that His Excellency has given today he will give this matter his further thought and will be pleased to reserve a few nominations so long as there are nominations for members of the U.T.C.

With these words, Sir, I give my whole-hearted and strong support to the Resolution moved by the Honourable Mr. Kunzru.

THE HONOURABLE SIR A. P. PATRO (Madras : Nominated Non-Official) : Mr. President, I am rather disappointed with the speech of His Excellency the Commander-in-Chief in the matter of the assurance to the Indian youths to support their aspirations for military careers. His Excellency relied on the system of the listed appointments and classes and castes and it is they that receive the most favoured attention from the Military Department for purposes of nomination. On the other hand, the Skeen Committee which had investigated the whole matter very thoroughly and received information not merely in India but in Great Britain and in other countries in regard to this matter of the martial and the non-martial classes and the recruitment to be made to the Indian Army, have expressed the opinion that no such distinction should in future remain. This recommendation was made in 1927 and yet we find in the army that these listed classes and castes still continue to exist for favour of nomination and I am sure His Excellency the Commander-in-Chief will pay some attention to the claims, to the training and to the traditions of other castes both in the south and in the north, for recruiting men of quality, of training and stamina into military service. The Skeen Committee, Sir, at page 32 recommend :

" We therefore recommend that suitable boys from the professional and other classes should have exactly the same chances as any others. We too have heard the view expressed—it may be regarded to some extent as the natural view of vested interests—that Indian officers should be drawn from the so-called martial classes alone ; but, on the other hand, there are some Indian officers in the army already who belong to the professional classes, and these have so far proved to be not only efficient, but also, we are told, acceptable to the men ”.

Sir, the spirit of the recommendation of the Skeen Committee is that all classes of people inhabiting India, this great Continent, should have equal opportunities of being trained and made competent and fit to defend the country being in the army. Of course, the condition precedent for all these classes is that they should have the necessary training, necessary equipment, before they could be taken into the Indian Army. Similarly, with regard to the opportunities that the U.T.C. has in our Universities, they have under the regulations to be trained and disciplined by a military officer appointed by the Commanding Officer of the province. Their training is, of course, for a few months in the year no doubt but they are also taken out to camp and in all these matters of training they receive the same kind as the O.T.Cs. attached to British Universities. It has been said that the O.T.Cs. in British Universities supply officers to the army and therefore a similar attitude should be adopted here. I do not see why the U.T.C. people who have proved to be competent and efficient as officers of the U.T.C. should not be chosen directly into the Army Training Corps, and the difficulties in the O.T.C. in British Universities are many. I realise that, as the Skeen Committee itself has investigated the matter, certain Universities would not allow admission to even Indians residing in Great Britain ; they would not admit them into the O.T.C., because the O.T.C. is attached to Universities as a voluntary organisation, but it is subsidised and helped by the Military authorities. Therefore, the initial acceptance and approval must come from the Universities themselves ; Universities should be willing to admit

[Sir A. P. Patro.]

Indians as freely as the British have a right to enter into this country, but in order to get over the difficulty the Skeen Committee has recommended that British Indians residing in and connected with the Universities should first receive admission into the O.T.C. That recommendation is a very important one. No attempt has till now been made to admit British Indians residing in England and studying in the Universities admitted into these O.T.Cs. With regard to this, the Skeen Committee says :

“ It was further impressed upon us by them that they recognised that the success or failure of such voluntary organisations as the O.T.Cs. are, even though they are controlled administratively and financially by the War Office, depends largely on the co-operation of the undergraduates. These latter are under no sort of compulsion to join the O.T.Cs. and their likes and dislikes cannot be lightly disregarded ”.

They then recommend that facilities should be provided in Great Britain for those British Indians who are studying in the Universities to be able to get admission into the O.T.Cs. Then, Sir, in regard to the granting of commissions or taking them into the O.T.Cs., the Skeen Committee further say :

“ We recommend that direct commissions be granted to suitable Indian graduates of British Universities, and that, to make this effectual, Indians may again be made eligible for admission to the senior division of the O.T.C. They were so eligible during the Great War, and we are strongly of opinion that the barrier which has since been set up should be removed. We understand that this is already the view of the Government of India ”.

And I am sure His Excellency the Commander-in-Chief has the recommendations of the Skeen Committee before him but it has not yet come into practical operation. Difficulties no doubt have to be contended against in the initial stages but I am sure the spirit of the recommendations will be kept in view. It is necessary, Sir, at this stage, when we are passing through a great many changes, political and economic, that the aspirations of Indians should be carefully watched, otherwise a great many complications may come in later. Therefore, I would earnestly impress upon His Excellency to see that greater scope is given to these useful and efficient officers of the U.T.C. to join the Indian Army after being trained.

It is not as if I am making an irresponsible statement. I base my conclusions on the recommendations of a responsible Committee of this House in this matter, and of prominent Indians who have studied this problem very carefully. Sir Sivaswami Aiyar of Southern India, who has gone into the whole question and has had interviews with the Military authorities, recommended that not only the U. T. C. but all Universities should afford facilities for providing military training and that young men who had undergone training in a U.T.C. should aspire not merely to obtain appointments but to developing a martial outlook, a martial spirit, with a view to the ultimate Indiaisation of the Army. His advice is very salutary and I am sure that most of the U.T.C. people are taking their profession in very great earnestness. Under these circumstances, Sir, it would be very discouraging for Indian youths if they are not properly encouraged to take their place in the Indian Army. I support the Resolution.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Mr. President, I cannot say that I was in the slightest degree unprepared for the kind of answer

that I have received from His Excellency the Commander-in-Chief. I knew that, while His Excellency would profess sympathy with our aims and aspirations, he would in practice find himself unable to yield an inch on any material point.

(At this stage the Honourable the President vacated the Chair, which was taken by the Honourable Rai Bahadur Lala Ram Saran Das.) And the same has happened. We hope that the scheme which His Excellency is working out will soon be made public but as I listened to the sentiments to which His Excellency gave expression, and to the arguments which he put forward, I felt that the scheme which he and his advisers would bring forward would fail to satisfy legitimate public expectations.

Now, Sir, there were two points in my Resolution, one relating to the removal of a disability imposed by the present regulations for admission to the Indian Military Academy on warrant and non-commissioned officers of the I.T.F. and the other to the institution of the "B" certificate examination. When I moved this Resolution, Sir, I knew that the U.T.C. men, because of the education and training that they had received, were certainly in a better position than the other candidates who competed for cadetships at the Indian Military College, Dehra Dun, but is that any reason at all why they should be declared ineligible for nomination to what are known as "Y" cadetships? If they are properly educated, if they are fit for the discharge of the responsibilities which fall on officers, it is a poor argument to put forward that they ought not to be nominated lest they should deprive people of another class from getting that number of cadetships which they at present enjoy at the Indian Military Academy? I take it that it is not the desire of the Military authorities to divide cadetships or the higher posts in any proportions between the various classes of the population. They have always told us that they proceed in accordance with the criteria of fitness and sense of responsibility. If that is so, I should like to know what happens to the argument put forward by His Excellency the Commander-in-Chief that, if he were to select one or two fit men from the U.T.C., he would to that extent have to reduce the chances of nomination of others. I do not say that the men at present employed in the army, the Viceroy's commissioned officers or officers just below them, are unfit. We know that they belong to what are known as the martial classes and we also know that all the members of the Indian Army have sustained the reputation of India worthily on every battlefield. But, Sir, it is necessary these days for military officers like the men occupying the higher positions in every other walk of life that they should possess a high degree of education. This is insisted upon in every military book, and by every military expert. We are told that the martial profession has become much more exacting than before and that it requires general intellectual abilities of a much higher order than were needed, say, 20 or 25 years ago. If that is so, Sir, it ought to place a premium on the selection of those who have received higher education at the Universities. I am not asking, Sir, that the openings now provided for the Viceroy's commissioned officers should be stopped. By no means. His Excellency now can, if he likes, nominate for the "Y" cadetships members of the A. F. (I.) who certainly do not belong to the regular Indian Army or to the I.T.F. How is it that he does so? Does no consideration of curtailing

[Pandit Hirday Nath Kunzru.]

the extent to which the Viceroy's commissioned officers and non-commissioned officers might be nominated to the Indian Military Academy, arise in this case? Does this consideration arise only when we ask that the claims of members of the U.T.C. should be borne in mind? Really, Sir, I fail to understand the logic underlying the position taken up by His Excellency the Commander-in-Chief. He may nominally argue with us but in effect he says to us: "We have arrived at this decision and whatever you may say, we have no intention of changing it". That is unfortunately too true and notwithstanding the constitutional advance, on which so much stress is laid by Britishers, the incontestible fact stands that in those departments which are the foundations of power, we have no voice.

Now, Sir, take the second point, that is, the institution of the "B" certificate examination. Whatever the position of His Excellency may be with regard to the grant of direct commissions to graduates of Indian Universities or nominating them as cadets to the Indian Military Academy, I should have thought that there would not be the slightest objection on his part to the institution of such an examination. Whether you utilise the U.T.C. men in a higher capacity or not, surely you can enable them to receive a higher training than they do at present. His Excellency said that there was no analogy between the O.T.C. of the British Universities and the U.T.C. in India. But is not the training given by the Military authorities responsible for this state of things? They will not institute the "B" certificate examination and then they will bring forward against us the fact that there is not a single Indian member of the U.T.C. who has passed that examination. Can we hold ourselves responsible for what is, properly speaking, their own responsibility? They debar us from all opportunities of acquiring this higher training, of making ourselves more efficient than we are at present and then bring up that fact against us and utilise it as an argument for keeping us in our present inferior position. I wish that His Excellency had adduced some argument for refusing to institute the "B" certificate examination. He did not say so expressly but I gather from the trend of his remarks that since in his opinion it is not possible to utilise the members of the U.T.C. in more capacities than those mentioned in the regulations of the I.T.F., he had no desire to institute the examination success in which may lead the candidates concerned to expect things which the Military authorities are at present determined to deny to them. If I have understood His Excellency the Commander-in-Chief correctly, he means to say that he is not going to provide the members of the U.T.C. with higher training lest they should put forward claims to higher positions. We must be kept in our present position so that we may have no moral claim to the positions to which the members of the O.T.C. of the British Universities may rise. His Excellency pointed out to us that the members of the O.T.C. in England were not entitled to commissions. I never said that they were. All that I said was that members of the O.T.C. who passed the "B" certificate examination and at the same time rendered useful service for some period subsequently in their Corps would have opportunities open to them which were closed to Indian youths here. I do not want to lay on the authorities any

1 P.M.

obligation to provide every member of the U.T.C. who may pass the "B" certificate examination with any post. But I do urge that their training should be better than it is and that whether they are provided with posts or not they should not be debarred from receiving the training to which their general education and efficiency entitle them.

The problem is by no means an unmanageable one. At the British Universities, some years ago the strength of the senior division of the O.T.C. was about 4,500. The sanctioned strength of the U.T.C. in India is a little under 4,400. Apart from this, in the year of which I have spoken, out of 4,500 members of the O.T.C. only about 105 appeared for the "B" certificate examination. Now, suppose an equal number of candidates appear here at the same examination or a similar one. This will not be unmanageable and will certainly not create any problems for the Military authorities.

Sir, His Excellency seemed to think that if he gave us an unfavourable reply, we would hold him personally responsible for the character of his reply. We long ago passed the stage when we could think that any particular officer of the Government of India could do anything of importance. We have knowledge and experience enough to understand that the policies of Government cannot be shaped by His Excellency the Commander-in-Chief, or even by His Excellency the Viceroy individually. What we are discussing here is the system, the policy laid down by the authorities collectively in India and in England. His Excellency the Commander-in-Chief may be as much a victim of the system as we are. But, frankly speaking, I must say that I do not think that the present system could have endured for as long a time as it has done unless it had the support to a material extent of the military officers of the Government of India or to be plainer still, of His Excellency the Commander-in-Chief personally. But, Sir, whatever the individual views of His Excellency the Commander-in-Chief may be, we are concerned with the measures now in force, the policy now in the ascendant and the opportunities that our young men now enjoy of receiving higher military training and of acquiring the capacity to serve their country in responsible positions. His Excellency the Commander-in-Chief's reply showed that he was not favourable to our demands. He has returned a direct negative to both the requests that I have put forward. My case is a strong one, supported as it is by the recommendations of the Auxiliary and Indian Territorial Force Committee which was presided over by General Sir John Shea. If Government are not prepared to carry out recommendations made by committees presided over by their own responsible officers, what other material can we place before them to convince them of the rightness of our cause? It only means that all argument is futile and that it is considerations independent of the fitness of candidates that are determining today the policies of the Government of India and of His Majesty's Government.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, I have got nothing further to say than what I have already said except as regards one point. Several Honourable Members this morning have introduced the question of caste into this Resolution. Of course, it is not relevant, but in case any one has got a false impression about it, I would remind them that in all the vacancies open to competition there is no restriction on any caste. There is also no

[His Excellency the Commander-in-Chief.]

restriction on any caste going to any U.T.C., and as the U.T.C. candidates can compete for admission to the Indian Military Academy I maintain that any caste is eligible. I merely wanted to say this in order to remove possible misapprehension on this point.

THE HONOURABLE THE CHAIRMAN (THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS): The Question is:

"This Council recommends to the Governor General in Council that (a) the warrant and non-commissioned officers of the U.T.C. be rendered eligible for nomination to the Indian Military Academy on the same terms as those applicable to officers of the corresponding grades in the other branches of the I.T.F. and in the A. F. (I.), and (b) the examination for the "B" certificate be instituted for the members of the U.T.C. with a view to their utilisation for the supply of commissioned officers in ways similar to those prescribed for the O.T.C. in England."

The Council divided:

AYES—12.

Abdus Sattar, The Honourable Mr. Abdur Razzak Hajee.	Mahapatra, The Honourable Mr. Sitakanta.
Biyani, The Honourable Mr. B. N.	Mahtha, The Honourable Rai Bahadur Sri Narain.
Buta Singh, The Honourable Sardar.	Motilal, The Honourable Mr. G. S.
Chettiyar, The Honourable Mr. Chidambaram.	Pantulu, The Honourable Mr. Ramadas.
Hossain Imam, The Honourable Mr.	Ray Chaudhury, The Honourable Mr. Kumarsankar.
Kunzru, The Honourable Pandit Hirday Nath.	Sapru, The Honourable Mr. P. N.

NOES—24.

Akram Husain Bahadur, The Honourable Prince Afsar-ul-Mulk Mirza Muhammad.	Ismail Ali Khan, The Honourable Kunwar Hajee.
Charanjit Singh, The Honourable Raja.	Jagdish Prasad, The Honourable Kunwar Sir.
Chetty, The Honourable Diwan Bahadur G. N.	Khurshid Ali Khan, The Honourable Nawabzada.
Clow, The Honourable Mr. A. G.	Maxwell, The Honourable Mr. R. M.
Commander-in-Chief, His Excellency the.	Mukherjee, The Honourable Rai Bahadur Sir Satya Charan.
Das, The Honourable Rai Bahadur Satyendra Kumar.	Nihal Singh, The Honourable Sirdar.
Devadoss, The Honourable Sir David.	Parker, The Honourable Mr. R. H.
Dow, The Honourable Mr. H.	Raisman, The Honourable Mr. A. J.
Ghosal, The Honourable Sir Josna.	Ray of Dinajpur, The Honourable Maharaja Jagadish Nath.
Haidar, The Honourable Khan Bahadur Shams-ud-Din.	Reid Kay, The Honourable Mr. J.
Hissam-ud-Din Bahadur, The Honourable Lt.-Col. Sir S.	Russell, The Honourable Sir Guthrie.
Hydari, The Honourable Mr. M. S. A.	Williams, The Honourable Mr. A. deC.

The Motion was negatived.

CUTCHI MEMON BILL.

THE HONOURABLE THE CHAIRMAN (THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS): I have received a notice from the Honourable Mr. Govindachari that he does not propose to move the Bill which stands in his name. I therefore call on the Honourable Mr. Kunzru to move his Resolution.

THE HONOURABLE MR. ABDUR RAZZAK HAJEE ABDUS SATTAR: Sir, I have got permission from the Honourable Mr. Kunzru and the Honourable Mr. Hossain Imam to move for the introduction of the Cutchi Memons Bill before them, if you will kindly permit me to do so.

THE HONOURABLE THE CHAIRMAN (THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS): If the Leader of the House has no objection, I will allow it.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): I have no objection as the Bill is only to be introduced.

THE HONOURABLE THE CHAIRMAN (THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS): Very well. The Honourable Mr. Abdur Sattar can move his Motion.

THE HONOURABLE MR. ABDUR RAZZAK HAJEE ABDUR SATTAR (West Bengal: Muhammadan): Sir, I beg to move for leave to introduce:

“A Bill to make it obligatory for all the Cutchi Memons to be governed in matters of succession and inheritance by the Muhammadan Law.”

Sir, at this stage it is needless for me to address the House at any length. At the very outset I would like to make it clear that the measure proposed is practically non-controversial inasmuch as it does not affect any other community except that of the Cutchi Memons who by the way in which they have taken advantage of Act 46 of 1920 have evinced a clear and general desire for an enactment of the kind proposed. Within five years of the enactment of this law more than 50 per cent. of the Cutchi Memons in different parts of India declared themselves in favour of the 1920 Act. I am sure that by now nearly three-fourths of the Cutchi Memon population all over India have come to be governed by general Muhammadan Law in matters of succession and inheritance.

THE HONOURABLE THE CHAIRMAN (THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS): I have asked you simply to move the Motion and not to make a speech at this stage.

THE HONOURABLE MR. ABDUR RAZZAK HAJEE ABDUR SATTAR: Sir, I move:

THE HONOURABLE THE CHAIRMAN (THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS): Motion made:

“That leave be given to introduce a Bill to make it obligatory for all the Cutchi Memons to be governed in matters of succession and inheritance by the Muhammadan Law.”

The Motion was adopted.

THE HONOURABLE MR. ABDUR RAZZAK HAJEE ABDUR SATTAR :
Sir, I introduce the Bill.

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 Rai Bahadur Lala Ram Saran Das in the Chair.

RESOLUTION RE CADET CORPS IN SCHOOLS, ETC.

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—

- (a) to take steps to bring about the introduction of military drill and the establishment of Cadet Corps in schools ;
- (b) to expand the U.T.C. and diversify its training so as to constitute units of other arms than the infantry in the Corps ; and
- (c) to expand the urban units and extend them to large centres of population where they do not exist at present.”

Sir, while the previous Resolution asked for an increase in the opportunities enjoyed by Indians for higher military training, the present Resolution deals with the basis of the national army of the future. It asks that the foundation of this army should be laid deep and broad and that the idea of military service should be made more familiar to the people than it is at present owing to the unfortunate policy pursued by Government. Now, in popularising the idea of military service it is necessary, as everyone will grant, to begin at the bottom. We should introduce the idea into the schools in order that it may take root and form as the boys grow up into men. The Shea Committee to which I have drawn attention several times today dealt with this question with great force and lucidity. They pointed out the uses of the I.T.F. as a second line of defence, but added :

“ We think it of even greater importance to develop it as a school wherein the young men of this country may be trained to arms, and may fit themselves to take their places in the national army of the future, ready to defend their country in time of need”.

And in order that the idea might be carried out they laid stress on catching the boys when they were young, on giving them military training and familiarising them with the idea of military service. To quote their own words once more, they said :

“ The seed must be sown before the mind is formed and for this reason it appears to us that the schools, colleges and universities offer the most suitable medium through which the first phase of this education must be carried out”.

Now, I have asked that in order to give practical effect to this steps should be taken to bring about the introduction of military drill and the establishment of cadet corps in schools. The proposal is not mine, Sir. It is again that of the Shea Committee. They specifically made these two suggestions. They said :

“ We recognise that at the present time there may be serious difficulties in the way of establishing cadet corps in all schools in India but a beginning can be made even in schools with the teaching of elementary principles of civic duty and with physical training and elementary military drill”.

Now, I know that His Excellency the Commander-in-Chief has not been able to agree with us in regard to the previous Resolution notwithstanding the Shea Committee being on our side, but in regard to this matter I have hopes that he may be with us, and for this reason, Sir, I referred earlier in the morning to a Committee of Members of both the Houses of the Indian Legislature which laid a memorandum regarding the recruitment of cadets for the Indian Military Academy before His Excellency. Addressing these Members His Excellency said :

“ What we want to have is, say, half a dozen candidates of the proper stamp competing for each of the 15 vacancies, and this brings us down to the question of education as the main stumbling block that still remains. When I speak of education I do not mean merely book learning, but chiefly the type of education which must begin at a very early age and which will foster the development of character and physique and will encourage in boys a liking for an open air life such as the army provides ”.

It seems to me, Sir, that his purpose is the same as that of the Shea Committee—the purpose which is embodied in the first part of my Resolution. I am aware that education is a provincial subject. The Provincial Governments can, if they like, introduce military training into the schools and form cadet corps though they may not be recognised by the Defence Department. But, in the present circumstances of India, it is clear that the purpose that I have in view—and which I am sure the whole House has in view—will be more easily achieved if the Military authorities take an interest in the matter and suggest ways in which military drill can be effectively introduced into the schools. His Excellency the Commander-in-Chief need not be afraid that this will throw any burden on the Army budget, for I think that the pay of the military instructors ought to be provided by the provinces concerned. In any case, Sir, this expenditure will not be large. Groups of schools can combine among themselves to have a military instructor whose pay can in no circumstances be high. If I were to take the analogy of schools in England, I could ask for the establishment of the junior division of the O.T.C. in the schools. I have not, however, done anything of the kind. My proposal is a much more modest one—a proposal which was put forward by the Shea Committee and which I hope is in principle supported by the Commander-in-Chief himself.

Now, I come to the second part of the Resolution, that is, the expansion of the U.T.C. and the expansion of its activities. The Shea Committee, in considering the various ways in which the I.T.F. could be made to serve the purpose for which it was intended, dealt very fully with the U.T.C. They agreed, in the first place, that its expansion should not be arbitrarily restricted. They also recommended that every encouragement should be given for the formation and development of fresh contingents where they did not already exist. I do not know what the Military authorities think of the U.T.C. I think His Excellency the Commander-in-Chief said this morning that this Corps had yet to attain to the standard of efficiency expected of it by the Military authorities. I cannot speak of every province, but so far as I have been able to ascertain the Military authorities have no complaint regarding the U.T.C. in the United Provinces. But apart from this, there are some Universities in which there is no U.T.C. at all. Again, there are some Universities to which the numbers allowed are very small. Here, I will point out features which seem to me—and I am sure which seem to all Honourable Members of this

[Pandit Hirday Nath Kunzru.]

House—quite anomalous. Take Delhi. It is allowed two companies. But Benares is allowed only three platoons. The Benares Hindu University has frequently asked that it should be allowed to have at least a company. But for some reason or other the Military authorities have been unable to grant this request. Again, take an important place like Meerut, with which my Honourable friend the Education Member is fully familiar. It is granted just one platoon. Take a place like Agra. It is allowed only half a company, i.e., two platoons. Is this adequate? Can we not easily, without endangering the efficiency of the military instruction in any way, allow the U.T.C. to be expanded so that, for instance, the centres I have named in the United Provinces might be able to have an adequate number of young men there receiving military instruction? I personally can see no argument at all against the expansion of the U.T.C. It does not seem to me that it will in any way interfere with the existing policies of the Government of India. The expansion can be carried out without changing any of those policies.

Then, Sir, take the diversification of the training. I again turn to the recommendations of the Shea Committee. The Committee were not in favour of immediately having other than infantry units in the I.T.F. They wanted that for some time infantry training should be concentrated on so that the units might reach a higher degree of efficiency than they possessed at the time. But they envisaged a time when this would have been brought about and recommended that cavalry and artillery units might be formed then.

"We are, however, definitely of opinion", they said, "that the Government should then make the attempt if conditions otherwise appear to be favourable and at the time should consider the possibility of diversifying the training in the U.T.C. by giving artillery training therein".

Now, considering the time that has elapsed since the Shea Committee reported I think that we have arrived at a stage when we can take a step forward and introduce another kind of training into the U.T.C. The Shea Committee spoke of artillery training in the U.T.C. I would, Sir, for my part, be satisfied if machine gun training is immediately introduced. This is a point on which the members of the Corps have been keen for a long time, and I ventured to bring it up some years ago in another place.

3-5 P.M.

Nothing however has yet been done in that connection. It may be pointed out that this is a question of expense. Now, there are many kinds of automatic firearms. If the question of expense stands in the way of the Military authorities they may well allow the use of Lewis guns, which the army is discarding, to the members of the U.T.C. This will throw no further expenditure on Government and will give the members of the U.T.C. the training that they are keen on, the training that will add to their efficiency, will provide encouragement to them and will enable them to have more confidence in themselves. His Excellency the Commander-in-Chief in addressing the Committee of which I have already spoken said that he was already "engaged in working out a scheme for the expansion of the activities of the U.T.C.". I do not know what exactly His Excellency has in view but I hope that he will be able to announce that the U.T.C. will in future be given

training in the use of machine guns or Lewis guns. Whatever other units may be formed in the U.T.C. I hope the Military authorities will bear prominently in mind the need for giving machine gun training to the members of the Corps.

And now, Sir, I come to the last part of the resolution which relates to the expansion of the urban units. The urban units are an important part of the I. T. F. The Shea Committee recognised that the provincial battalions of the I. T. F. had not been able to draw upon material which it was thought in the beginning it would be able to avail itself of. The educated classes have not joined the provincial battalions. It might be said that this was the fault of the educated classes themselves but the Committee pointed out that on the evidence before them this would not be a well-founded criticism. They accordingly recommended that urban units should be formed in large centres of population in order to give the middle classes, the educated classes, an opportunity of acquiring military training and preparing themselves for the defence of their country, for self-defence is implied in self-government. Now, these units have been formed in some provinces, in the United Provinces, in Madras, and in Bombay, I think, but their number is very small. Take the case of the United Provinces. It has been given two companies and these two companies are to satisfy the needs of a group of towns among which are Lucknow, Agra, Cawnpore, Allahabad, Benares, Bareilly and Meerut. One of these companies is at Allahabad and the other at Lucknow. The other important centres of population like Cawnpore, Bareilly, Meerut and Agra are without any urban unit at all. Now, it may be said that these units are not efficient. Here again I cannot speak of other provinces, but I understand that the units have reached a fair degree of efficiency, to speak modestly, in the United Provinces. I am told that at the last Camp the United Provinces Urban Battalion won the all-India shooting trophy provided for the I.T.F. That is no mean achievement for this urban unit. It shows that the men are keen and that if larger opportunities were given they would be readily availed of. In any case it seems to me that we should not take up the position that these units must first attain an ideal degree of efficiency or must forthwith be as efficient as units of the regular Indian Army, before they can be expanded. The keenness is there; the people are ready to take advantage of expanded opportunities. Is it not reasonable then to suppose that if there are any defects they will be removed in course of time. The Shea Committee stated that these units should be confined to large centres of population, where it will be possible to guard the arms. I have made precisely the same recommendation. I ask that these units should be extended to large centres of population where they do not exist at present. In every province there are such centres, large centres where not a single urban unit exists.

Sir, I hope that what I have said will be sufficient to justify the recommendations that I have ventured to place before the House. But before I sit down I should like to refer to a point to which His Excellency the Commander-in-Chief dealt with in his speech at the previous Resolution. He spoke of some scheme which was being prepared by him for the U.T.C. but said that its success would depend primarily on local enthusiasm and the public interest. I entirely agree provided the Military authorities themselves in the first instance give whole-hearted support. Now, how is this public enthusiasm to be aroused? The

{Pandit Hirday Nath Kunzru.}

Shea Committee I am glad to say considered this question also. They thought that the Advisory Committees of the I. T. F. in the various provinces which had proved totally unsuitable for the purpose for which they were intended should be reorganised. They suggested that their membership should be increased and as regards the functions of these Committees they said :

"We are of opinion that the responsibility for recruiting, subject of course to the observance of the military and other standards prescribed, the responsibility for advising Local Governments as to when it is possible or desirable to raise new units and the responsibility for encouraging by effort and example the growth and popularity of the movement in general should be formally laid upon them".

Now, I want to know whether action in the direction recommended has been taken, whether these Committees have been reorganised and these larger responsibilities been thrown upon them, so that future progress might depend on Indians themselves. So far as I know, Sir, nothing of the kind has been done. The Military authorities cannot therefore now turn round and say, "If our schemes do not succeed it will be due entirely to want of enthusiasm on your part". Let them take the steps recommended by the Shea Committee. Let these Committees understand that they will be in a position to recommend the raising of new units to Local Governments, and then if they do not discharge their duties we should certainly stand humiliated before Government. But so long as these steps are not taken, so long as we are not allowed a proper opportunity of making our influence felt and of having opportunities for military service extended in proportion to the increasing enthusiasm in the country, the responsibility for the present state of things must remain on the Military authorities themselves.

Sir, I do not wish to take up the time of the House any more. I only hope that at any rate the Indian Members of the House will, even if they are unable to support this Resolution by their votes, will be as sympathetic to it as they were to my previous Resolution.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhamadan) : Mr. Chairman, I rise to support the Resolution which has been so ably moved by my Honourable friend Pandit Hirday Nath Kunzru. The subject-matter of this Resolution is one with which the people of this country can have nothing but sympathy. With the advent of self-governing institutions (at least so-called self-governing institutions) in the provinces, and also keeping in view the fact that the Congress Ministries are not so keen on having internal security troops as former Governments were—if I understand them rightly perhaps they do not wish to have internal security troops at all—it is all the more necessary that a citizen army should develop and it should find a place in our defence scheme. The recommendations which my Honourable friend has placed before the House are that from the very beginning when children are in schools, they should get a military bias in their mind. We have been told there are martial classes and non-martial classes, and that people of certain provinces are not fit to fight ; but if the Defence Department will look back to the history of India, they will find that it is only those contemptuous people who are now disqualified, who helped to conquer the country (Punjab) from which they are recruiting for the army at present. Then the Bengal

Army, the Madras Army and the Bombay Army were fit enough to conquer other parts of India. Now, two of these places have been rejected, because they found more pliable material in the other provinces to which they have confined their activities. Now, Sir, the old trouble that everything that we do will cost money is trotted out. It is customary with the Government to say that this scheme will cost money and therefore we cannot take it up. But when it suits the Government, they go out of their way to take up things, costly things, and what is more, the Government are not even prepared to disclose what they are doing. I will give one instance. The Defence Department have no money to spend in extending the I.T.F. or the U.T.C., but they have more than enough money to spend on free supply of materials and munitions to the Indian States. The Indian States are there with their money; though they can afford to pay, and although their armies are not included in the command of His Excellency the Commander-in-Chief, yet that army gets a free supply. We in British India are debited with the cost and when we ask for information on this, information is not forthcoming. It is refused as it does not come within the purview of British India. It concerns a matter in the Indian States. No doubt it concerns a matter in the Indian States, but confine the expenditure also to that State and do not expend my money on that State. If you are spending my money on them, then tell us under what rule of equity are you entitled to withhold information? It is really taking advantage of the letter of the law and disregarding the spirit of the law. My Honourable friend has also suggested another measure by which we can reduce the extra expenditure. If we give to the U.T.C. the surplus or the rejected material from the army we will not be called upon to bear any extra cost. Further than that, in an army of such magnitude as the British Army in India, it will not be impossible to attach a few men to instruct in the schools. It is not impossible to depute a man for six months; 10 men to Bihar, 15 to the United Provinces, and so on. Out of the whole army if you detach 100 men to give training at these schools, it would be feasible. The additional cost will only be the railway charges and we know the cheap rate which the Railways give to the Defence Department as a special concession. The question of cost will not come in the way if Government have the will. It will always loom large as an insurmountable barrier, almost of Himalayan heights when they are pleased to reject a Resolution, and trot out a lame excuse. Sir, in the present political condition of India, it is essential that the foundations of a citizen army should be laid. When Dr. Bhagwan Das in another place advocated the possibility of starting a citizen army it was, I am sorry to say, not only rejected, but it was practically laughed at. It may be, Sir, quite unacceptable to your masters to start any sort of military training in India, but we as Indians cannot but go on demanding that we should be trained to safeguard ourselves, that with the present provincial autonomy it is only in keeping that there should exist a nucleus of a citizen army in India and for that purpose this Resolution is most welcome.

With these words, Sir, I support the Resolution.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Before hearing the Honourable Mover's remarks on the first part of this Resolution I assumed that

[His Excellency the Commander-in-Chief.]

he had in view military instructions in schools as a first step towards qualifying the boys concerned for subsequent admission to commissioned rank in the regular and non-regular forces, as otherwise the Defence Department would hardly have been concerned.

As my assumption has been confirmed, I think I can best proceed by comparing Indian conditions with those existing in English public schools merely to indicate the difficulties with which we should have to contend.

In the junior division of the O. T. C., as organised in such schools in England—

- (i) Cadets are enrolled at 15 years of age ;
- (ii) Instructional staff is composed of masters who hold commissions in the Territorial Army, have usually themselves been members, of both junior and senior O. T. C. contingents, and undergo training during vacations with regular units ; also of retired non-commissioned officers of the Regular Army ;
- (iii) Contingents are financed by payments from cadets' parents and by a small capitation fee from Government funds. Out of this, the subordinate instructional staff is paid by the schools. It follows that only where there are sufficient numbers of boys of correct age and whose parents are prepared to contribute can a contingent be raised which can finance itself.

I may be speaking without the book but it seems improbable that a similar system can be economically applied to schools in India for the following reasons :—

- (i) Early leaving age makes the period of enrolment after 15 years of age too short for benefit to be obtained ;
- (ii) Limited number of schools which would provide a sufficient number of cadets to make the organisation of contingents financially possible ;
- (iii) Lack of suitable members on the staffs of schools to act as officers of contingents.

What I have just said may appear at first sight to indicate an unsympathetic attitude towards this question. I am, however, ready to give every consideration to any practical scheme sent to me personally by any Honourable Member on this subject.

As regards the second part of the Resolution, *viz.*, expansion of the U.T.C I must remind the House that last year I did not feel prepared to recommend any expansion until reports disclosed increased efficiency of units. But in the meantime steps have been taken to improve training, Commands being encouraged to provide more assistance as regards the supply of Regular Army instructors, and with this end in view, a new syllabus of training based on the O.T.C. syllabus used in the United Kingdom has been definitely tried out, and, after modifications to suit local conditions, has been approved and will be published very shortly.

Under this syllabus, the training is progressive and aims at the cadet being sufficiently trained to obtain the following certificates after the requisite periods.

The lower certificate, which will be based upon the examination of non-commissioned officers for promotion to junior grade commissioned rank in the I.T.F. A cadet should be able to obtain this certificate after two years' service in the U.T.C.

The higher certificate, which may be taken after three years' service, is based on the retention examination for junior grade officers of the I.T.F. Up to date I have not received the annual inspection reports on U.T.C. units for the past year, so that I am not yet in a position to say whether the efficiency of U.T.C. units has increased during the past year or not.

But I am hopeful that the improvements I have indicated will not only do much to increase the efficiency of existing units but give justification for forming new ones. I have no desire to put the brake on anywhere, but I must be convinced that full value will be obtained for such public money which will have to be expended.

As regards the constitution of units of arms other than infantry, although the formation of an engineer unit has now been sanctioned, it is felt that, for the elementary type of instruction aimed at within the short period of service performed by cadets, the medium of infantry training provides the best grounding in general military duties, without which instruction in the duties of other arms cannot be profitably imparted. The syllabus of training prepared for the U.T.C. is, therefore, as with the junior division of the O.T.C. and both the Royal Military College and Royal Military Academy in England, based on imparting sufficient instruction to enable cadets to become efficient junior leaders in the infantry arm, such instruction being considered a necessary preliminary to training in leadership in other arms.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : May I interrupt His Excellency ? What does he mean by junior leaders—warrant officers ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : I am referring to cadets.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : His Excellency referred to junior leaders.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : In the U.T.C. That is the basis on which we are working in every line of service. Now, for instance, as you know, certain officers both from the Indian Military Academy and Royal Military College at home always get attached to infantry units, though they may be switching off to cavalry or something else after, and we have always held that that is the basis of all their training.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What I meant to ask His Excellency was what he meant by junior leaders ? What would be their grade ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : I referred to non-commissioned officers, section commanders, and so on.

[His Excellency the Commander-in-Chief.]

Turning now to the last part of the Resolution, *viz.*, expansion of Urban units. In respect of all I.T.F. units, of which the Urban infantry units form a part, I would remind Honourable Members of the opinion expressed by the Shea Committee, which has been quoted by everybody on whose recommendation Government instituted the I.T.F., and it must not be forgotten that several non-official Members served on that Committee. The Committee stated :—

“ If this territorial movement is to lay the foundations of India's national army, the people of India must themselves be responsible for its success ; and it must lie with non-official leaders of the people even more than with Government to foster its growth. It will devolve on the leaders of the people to bring forward recruits..... the responsibility of the Government being confined in the main to the military training of the force ”.

These Urban units which I am now discussing were formed in September of 1928. The first was in existence three years before it was disbanded. During these three years it raised four officers and 17 men out of a required strength of 31 officers and 694 men. The remaining four units, *i.e.*, the 2nd Bombay, the 3rd Madras, the 4th United Provinces, and the 5th Bengal, are in existence today and have a total strength of 26 officers and 682 men out of a required strength of 48 officers and 1,336 men. In other words, they are at half strength, and this after nine years. It would appear, therefore, that the necessary enthusiasm has still to be aroused, and in these circumstances it appears to me the time has not yet come to decide upon an increase in the number of such units. I may add that provided the necessary additional impetus is forthcoming, I have no desire to apply the brake provided the extra cost appears to be justified.

To sum up, I feel, therefore, that at present I must regretfully oppose all three points of the Resolution.

As regards the formation of cadet corps in schools, the necessary conditions in the schools of this country, both practical and financial, do not at present exist. Apart from the difficulty of school-leaving age, it is certain that a very considerable expense, both initial and recurring, would be involved, and, in my opinion, it is not likely that this could or would be met from private sources but I hope I am wrong. Moreover, there is the question of the provision of officers, which, for the reasons I have given, could only be supplied from the Regular Army. In short, if the scheme was started, it appears to me that I should have to find both the money and the staff. I regret I can do neither.

In respect of the expansion in the size and number of the U.T.C., I must await the result of the measures I have instituted to improve their utility before I can agree to any extensions.

As for Urban infantry, nine years' experience goes to prove that enthusiasm has not yet been engendered, and until public opinion and leadership gives that enthusiasm it would be inadvisable to embark on any scheme of expansion at present.

Perhaps in the circumstances I have endeavoured to explain the Honourable Mover may feel disposed to withdraw his Resolution.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Mr. Chairman, I welcome the tone of His Excellency's reply ; it seems to hold out some hope of the introduction of military training into schools. But when His Excellency went on to compare my proposal with the institution of junior divisions of the O.T.C., he dealt with something which I had not asked for. I had merely confined myself to the recommendations of the Shea Committee. I should like to have junior divisions of the O.T.C. in schools, but unless a beginning is made with military drill, it would be of no use taking immediate steps to start the O. T. C. there. This being so, the question of instructors and expense, which His Excellency referred to, does not arise. We have to take a step previous to the establishment of the junior division of the O.T.C. in schools. That step is represented by the recommendations made by the Shea Committee. I ask for the help of the Military authorities in the execution of those recommendations. If they would take the initiative in the matter, no expense will be thrown upon them and the Provincial Governments may be enabled thereby to take steps to give effect to the proposals that I have already referred to.

As regards the U.T.C., the question of its expansion, I see, is hanging in the balance. I am very glad to learn from His Excellency that he did not want to restrict the expansion of the Corps in any way. He was willing to let it expand consistently with the required degree of efficiency. I have no quarrel with that criterion at all. Only, I will submit that so far as the provinces with which I am familiar go, the U.T.C. has attained to a fair degree of efficiency. I hope, therefore, that the Military authorities will soon be able to announce that it will be expanded there at least. I referred to the cases of certain towns in the United Provinces in this connection. I have not heard of any adverse report about the U.T.C. units there. Indeed, so far as the Benares University is concerned, I understand that the unit has received encomiums from the officers concerned. It is not necessary for the carrying out of my proposal that an indiscriminate expansion of the U.T.C. should be agreed to. We need not have more units everywhere. Provinces may in that respect differ. But I see no reason why the progress of the provinces that are more advanced in this matter should be dependent on the efficiency of those that have remained backward so far. We can easily distinguish between the provinces and do something to meet the needs of those provinces where a proper standard of efficiency has been reached.

As regards the diversification of training, I understood from His Excellency, although I could not hear him clearly, that an engineer unit will be formed. I gather from that that the idea of giving machine gun training to the U.T.C. is still not acceptable to the Military authorities. I hope I am wrong. But if I am right, I will only say that if you want to rouse the enthusiasm of the young men in the U.T.C., if you want to attract young men in larger measure to it, nothing will contribute so much to it as machine gun training. My Honourable friend Mr. Raisman who is entirely out of touch with the Universities in India laughs ! I leave him with his laugh which is based on ignorance ! I do not propose to deal with it any more.

[Pandit Hirday Nath Kunzru.]

In dealing with the last part of my Resolution which relates to urban units His Excellency pointed to the failure of one unit which had to be discontinued and the failure of the units now in existence to be up to strength. Well, I see from the quarterly return showing the actual strength of the Army in India that the deficiency is practically due to Madras. If we take the strength of the units in the United Provinces and Bombay they seem to be up to the mark. Bombay is quite up to the mark and the United Provinces nearly so. Madras alone has failed. Is that any reason why no further progress should be made in the United Provinces or in the Bombay Presidency if the units there are efficient, if men of the classes for which they are meant have been attracted to them. Let us go forward there leaving behind the backward provinces for a while. When they come up to the standard required of them their cases can be dealt with separately. But I see no reason why the failure of one province should prevent the extension of units in other provinces which have shown more enthusiasm.

Sir, His Excellency in the course of his speech again referred to the responsibility of Indians for securing the right material and creating the necessary enthusiasm. Speaking earlier, I accepted this responsibility but I pointed out at the same time that the proposals made for the discharge of this responsibility by the Shea Committee had not been given effect to by the Government themselves. His Excellency while again laying the burden on us failed to refer to the recommendations of the Shea Committee and their non-execution by Government.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: May I interrupt the Honourable Member. These Committees that you referred to were instituted straightaway. They exist now. They have got the Shea Committee's recommendations in front of them. I have issued nothing since they were formed to put them off in any way and they are there.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: They are still being appointed in the old way. That is the complaint. I have made inquiries on this point and everybody tells me that the state of things is precisely what it was before the Shea Committee reported. As to the detailed recommendations of the Shea Committee on this point I have already dealt with them and need not refer to them again. But I cannot, honestly speaking, say that the Army authorities are at the present stage entitled to lay the blame for failure on Indian shoulders. In some places we may fail as, for instance, we have failed in the Madras Presidency, and we shall certainly be prepared to accept the blame for our failure there. The Military authorities will not be responsible for that. But in this matter surely there must be co-operation between us and the Military authorities, and this co-operation I regret to say has been lacking so far.

Sir, His Excellency the Commander-in-Chief expressed a hope that in view of the statement made by him I might be disposed to withdraw my Resolution. His Excellency has certainly held out the hope of the introduction of military training into schools, but I am afraid that in view of the reply given by him generally to me I find myself unable to accede to his wishes.

On the whole I think I can say that His Excellency has not found himself in sympathy with the proposals that I have put forward. I have, therefore, no alternative but to press the matter on the attention of the Legislature and the Government of India.

THE HONOURABLE THE CHAIRMAN (THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS): Does His Excellency desire to reply ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: No, Sir.

THE HONOURABLE THE CHAIRMAN (THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS): The Question is :

“ That this Council recommends to the Governor General in Council—

- (a) to take steps to bring about the introduction of military drill and the establishment of cadet corps in schools ;
- (b) to expand the U. T. C. and diversify its training so as to constitute units of other arms than the infantry in the Corps ; and
- (c) to expand the urban units and extend them to large centres of population where they do not exist at present. ”

The Motion was negatived.

RESOLUTION *RE* TAXES ON EXCESSIVE PROFITS OF PROTECTED INDUSTRIES.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhamadan): Sir, I rise to move :

“ That this Council, with a view to taxing the excessive profits of the protected industries, recommends to the Governor General in Council to investigate the matter and to place their report before the House. ”

This Resolution of mine has been interpreted in different quarters in different ways. Some of my friends who are interested in industries think that it is distinctly bad move that I want to give the Government some help which they do not deserve, that I want in a way to take away the advantages of protection from the protected industries. On the other hand, some of my friends on the Benches opposite think that I wish to tie the hands of Government and to take away their liberty of taxing as they please. But in reality the objective of this Resolution is to fill up the Government's coffers by some source so that we may have the advantage at other places. Secondly, the objective is to take away part of the burden of the general taxpayer if it can possibly be done. As the House knows, I am an unashamed advocate of nationalisation of industries as well as of State monopolies, but, in the present political atmosphere, when even the Congress is not willing to adopt nationalisation or State monopolies as a plank in its platform, I would not be right in advocating those extreme steps to be taken by the Government. Failing these, the only other course open to me is to regulate the profits of industries in India. Now, Sir, as the wording of this Resolution will show, it is no original proposition of mine. It is based on the proposal of a much greater man, the Right Honourable Mr. Neville Chamberlain, the present Premier of Great Britain. But

[Mr. Hossain Imam.]

I also remember the storm of protest which was raised against the proposal of the Right Honourable Mr. Neville Chamberlain. I submit that there are vast differences between his proposal and my adaptation. In his case the incidence of taxation was general, on the industries which were getting no help from the State the tax would have been imposed. I, on the other hand, confine it to the four corners of those industries alone who are prospering, because of the help which the State has rendered them, because of the burden which the consumer has consented to bear in order to see the industry in a flourishing condition.

(At this stage the Honourable Sir David Devadoss took the Chair which was vacated by the Honourable Rai Bahadur Lala Ram Saran Das.)

and because the basis on which we gave protection did provide for a certain profit alone and not for excessive profits. Now, if we look to the Tariff Board Reports we find that whereas in times past a return on the capital invested was about 8 per cent., now in the near past the Tariff Board have reduced that rate of interest and brought it to a lower figure, keeping in view the rate at which the Government gets its accommodation in the market. I am prepared to help the industry to get a fair return on his invested capital, but I would not be a party to allowing it to rob us and to get rich at the cost of the general consumer. Before I brought this Resolution forward I fully considered some of the alternative measures which might have been adopted in order to relieve the consumer or to fill the general exchequer. For me, personally, the proposition of reduction on the customs duty is the most attractive, because it brings down the cost to the consumer; but I cannot blind myself to the realities of the situation. Any reduction in the customs duty would mean reduction in the income of the Customs Department, because at the present moment India is not in a condition to expand its intakes from foreign countries. Leaving aside all the sentimental and economic effects of increased imports on our trade balance and our payments to England and other countries, it would, in the present reduced purchasing power of India, be almost impossible to imagine that reduction of taxes would not only make up the deficiency in the customs income but add something more, because my primary objective is to increase the income of the Central exchequer. Therefore, I am reluctantly compelled to give up that as an alternate method.

The second method which presents itself to our mind is imposition of an excise. Much can be said in favour of excise as the natural successor of a disappearing customs income. If, on the one hand, we want to be self-contained and we wish to restrict imports from other countries, as responsible men we have to provide Government with a source of income as an alternative to that disappearing source of income. But we have not forgotten what happened last session. When the Government wanted to impose an excise duty on sugar, there was a hue and cry in the country. We realised that its incidence is general, it does not discriminate between those who are really making money and those who are losing money. You may say that excise is a flat thing, but it hits hardest those who can ill-afford to pay. There are certain people who might be uncharitable and say that they accept the German theory that inefficiency should be exterminated. But in a Christian Government I do hope that this dictum will not find much support. Then, Sir, the third alternative which can

be brought forward is a graduated corporation tax. This source of income has also the same disadvantage as it is inherent in excise duty, because the incidence of the corporation tax will be in the total income. While an income of a lakh may be a very good profit for a company which has started with a capital of Rs. 5 lakhs, it will be ridiculously small for a company which had a capital of a crore. Now, you can not differentiate between one company and another unless you have a method which takes into view not only the totality of the income but the totality of the return on capital. I therefore submit that the only method which can be called equitable and just, would be one in which the incidence of taxation would be higher on those who can afford to pay and lowest on those who cannot afford to pay. That is the basic principle of income-tax and I wish that that should be the policy behind the taxation of industries in India. I have no intention now to bind the Government to any course of action. I am not going to give instances where the protected industries are making huge profits. The financial papers are there who can show more than sufficiently where and which industries are making money. I therefore wish simply to ask the Government to investigate the matter and, if feasible and possible to adopt the system.

There is more than one reason why I wish that the Central exchequer should be in a flourishing condition. Firstly, I have the welfare of the provinces at heart, and the provinces cannot get anything from the Centre until the Centre is able to stand on its own and to have a surplus to give. For that purpose we must be vigilant that the outgoings do not increase. Every time we increase the income we have got to make sure on that and see that it does not stop. Secondly, I regard with some concern that the surcharge which we imposed in 1931 still exists. It is all very well to ask the Government to give it up. But unless we are prepared to tax ourselves to the tune of that disappearing income we cannot make out a just case for the disappearance of those surcharges. The incidence of those surcharges fall on those persons who are least able to bear any taxation, let alone 25 per cent. surcharge. Therefore, I very earnestly request the Government to give the matter their full thought and to devise means which without being unjust or iniquitous would still fill up the general exchequer.

With these words, Sir, I move.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar : Non-Muhammadan) : Mr. Chairman, I rise to support the Resolution moved by my Honourable friend, Mr. Hossain Imam. The Resolution, Sir, as I read it, only pleads for a little more enlightenment with regard to protected industries. It only urges Government to lay a report on the subject before the House. It lays down two very wholesome terms of reference. Firstly, that Government should find out whether the protected industries are making excessive profits and, secondly, to say whether, in their opinion the industries concerned are capable of bearing any further burden of taxation. By excessive profits is meant profits beyond due and reasonable proportion to and comparison with the profits of other industries. The Resolution does not ask Government to undertake any legislation forthwith with a view to laying a further or fresh burden of taxation on protected industries. All that it asks is that the whole question be gone into in a spirit,

4-5 P.M.

[Rai Bahadur Sri Narain Mahtha.]

I hope, of stock-taking and finding out the extent of the net profits made by capitalists who are engaged in these industries. When such a report dealing with these points is in the hands of the Members of this House, I mean, when the necessary data is available, it will be time then to see whether or not it is a judicious step to tax. It is not unlikely that the report may reveal a situation in which it would be possible to tax. In fact, I am, Sir, one of them who fears that most of the Indian industries that should be protected are not protected and those that are, are not sufficiently protected. It would be highly premature for any of us at this stage to commit ourselves either for or against such a taxation, but I do believe that a report of the kind desired by the Mover of the Resolution would be highly beneficial. Although I should every time prefer a tax on profits to an excise duty which works mechanically without any discrimination and hits the poor pockets of the consumer, yet, I would in no case advocate a tax which may either have the same effect or become unbearable for the industry itself. The capacity of the industry to bear a tax is the first and paramount consideration which should be before any legislature. In his enthusiasm to find money the legislator must never wield his axe indiscriminately and strike at the root of industries that are the mainstay and hope of the country. I hope, Sir, it is very far from the mind of the Mover of the Resolution to suggest anything of this kind. With these few words of caution I support the Resolution, and trust that a report of the kind wanted by the Mover will have the effect of clearing much doubtful ground.

THE HONOURABLE SARDAR BUTA SINGH (Punjab : Sikh) : Sir, I am afraid I have not followed the meaning of the Mover of the Resolution. If he means that in case of industries that have been given protection, Government should start an inquiry and impose an additional tax on them, then I am entirely opposed to such a recommendation. Industries which have received protection are those which provide employment for a large number of people, which use our raw produce and thus add to the wealth of this country. That such industries should be crippled by an additional taxation is a recommendation which, I am sure, will never be accepted by this House.

I do not wish to dwell on this matter and take up the time of the House, as the proposition itself, I am sure, will be rejected by the House.

THE HONOURABLE MR. A. J. RAISMAN (Finance Secretary) : Sir, I must begin by welcoming the unusual note which I hope I rightly detect in the Honourable Mr. Hossain Imam's speech. It is not the usual experience of Government either in this House or in the other place to find that Members on the other side of the House are vigilant about the effects of protection either on the consumer or on Government revenue. Our experience has been that, although the policy of Government—a policy founded on a Resolution of the Legislature—has been declared to be a policy of discriminating protection, our experience has usually been that the pressure of industrial interests which are able to capture vocal sections of the Legislature has always been in the direction of increasing or extending protection and has always tended to put in the background the interests of the consumer. Now, the Honourable the Mover's speech at least admits a possibility, and a great possibility, that

excessive profits are made in the protected industries. Now, I would suggest to the House that that is a very serious matter indeed. If we stop to think exactly what that implies, we find that as a result of legislation deliberately undertaken by the Legislature at the instance of Government, the course of trade has been so interfered with as to have two results,—the first that the consumer of certain goods has been made to pay far more than he ought to have done, and the second that by making the supply of goods at an excessive price a comparatively easy matter for a reasonably efficient producer, the revenue which Government derive from the import of goods manufactured abroad has been destroyed. I should like the House to ponder for a while on the significance of an admission that excessive profits may be made in protected industries, because the whole basis of our policy is that you have conditions in this country which make it exceedingly difficult for the industry in question to survive at all and the method by which the policy of discriminating protection is carried out is to equate the cost of importation of foreign goods to the reasonable sale price of goods produced in this country. In other words, Sir, my point is that if you admit that excessive profits are being made in protected industries you admit the breakdown of your policy of protection. You admit that you have failed to protect the interests of the consumer and that you have failed to protect the revenue of the Government. You admit that discriminating protection is impossible and that your policy of protection inevitably has become indiscriminate.

I go on from this preliminary point to some of the aspects of the Resolution. I would observe that this Resolution makes a somewhat unusual request, unusual at any rate in the sphere of taxation. As is well known proposals for taxation are usually matured in the inner sanctum of the Executive, and great care is taken that they are not prematurely disclosed and they are usually laid before the Legislature more or less completely thought out. It is, as far as I am aware, a very unusual thing for any Government to put itself on to a more or less academic commission to inquire into the state of affairs of certain possible taxpayers and then to place this material before the Legislature. That surely is a complete reversal of the normal order of things, and there is good reason for the usual practice. I would ask the Honourable Member to consider what would happen to an industry if a report were laid on the table of the House,—a report drawn up with a view to taxing the excessive profits of the protected industries,—and an industry, A. B. Co., is reliably reported to be making 1,000 per cent. on its capital. What would happen to the shares of that company when the report was published? Obviously, Sir, it is quite impossible to approach any programme of taxation in this manner. Government are aware that the suggestion of taxing the profits of an industry must have a very serious effect on the industry, because I would remind the Honourable Member that as Professor Keynes is always pointing out, it is not what is going to happen but what people think will happen that determines economic changes. It is because Government are aware of this that they do mature their plans of taxation in secret and that they place them before the Legislature as shortly as possible before they are likely to become law, and in a considerable number of cases, by a special provision of the law, they take effect as law from the moment they are placed before the House. Well, the Honourable Member admitted that

[Mr. A. J. Raisman.]

the idea with which he conceived this Resolution was not entirely original, but that he was actuated by a spirit of emulation of the Right Honourable Mr. Neville Chamberlain. I would suggest that that is an unfortunate exemplar to take because, as we all know, the national defence contribution proposal had a very unfortunate history. That was matured in such secrecy that the only people who could possibly have contributed any useful ideas to the elaboration of it had apparently to be left out and the result was that when the proposal was put before Parliament, it was subjected to effective criticism from every possible angle and finally His Majesty's Government quite frankly admitted that it was not a suitable proposal for them to proceed with, and they withdrew it and substituted a much simpler proposal.

THE HONOURABLE MR. HOSSAIN IMAM : Was it not in effect the same ?

THE HONOURABLE MR. A. J. RAISMAN : No, Sir. The national defence contribution, as far as I recollect from reading newspapers—and I have no more knowledge of it than was available to the Honourable Member or anybody else—the national defence contribution proposal was based in essence on the same principle as the excess profits tax which was in force in England and for one year in India after the war. The essence of that scheme is that you select either a period or a special rate of profit as being normal. You select a period which is supposed to be neither a slump nor a boom period and you examine the affairs of a company in that period or you take, entirely apart from the particular history of the company a pre-conceived idea of what should be the normal return on industrial investment and you apply this normal to the actual profits over a certain period, and anything in excess of that standard is regarded as suitable for particularly high taxation. Apart from the unfortunate experience which this proposal had at home, we, as I said, in this country also had an excess profits tax for a short period. I have no experience myself of the administration of this particular measure. All I can say is that suits in courts relating to that enactment, which I think was passed in 1921 or about that time, were still pending only a very few years ago. I think I am right in saying that disputes relating to the enforcement and the application of this measure went on for about a decade. If you read the Act or any measure of this kind you will see that that must be so. Usually options are given to the assessee to choose what shall be taken as the normal basic period or the basic profit and then again certain options are taken to the revenue to make the calculations of the assessable profits, and possible permutations and combinations of the options which have equitably to be allowed are so numerous that I imagine hardly a single assessment is a matter of agreement between the revenue and the assessee. For this reason, the method of an excess profits tax would never be resorted to by a Government unless other and simpler means had failed. Now, in the case of India, what is the machinery which is available for preventing excessive profits being earned in the protected industries ?

The Honourable Mover himself mentioned as his first alternative the possibility of reducing the customs duties. That is not merely an academic

alternative, but it is a method which by the Indian Tariff Act is in effect laid as an obligation on the Governor General in Council. Section 4 of the Tariff Act says that—

“ Where in respect of an article which is subject to a protective duty the Governor General is satisfied after such inquiry as he thinks necessary, that such duty has become ineffective or excessive for the purpose of securing the protection intended to be afforded by it to a similar article manufactured in India, he may by notification increase or reduce such duties to such extent as he thinks necessary either generally ”

and so on. Well, Sir, I would suggest that the terms of that section are such that there is a definite implication that it is a duty on Government when it finds that a protective duty had become excessive and that in effect the consumer is being widely exploited in order to provide excessive profits for the industrialist, it is the business of Government to look into the matter and to make adjustment to reduce the duty. In fact that is not a matter of special investigation and laying a report on the table of the House. That is a constant duty of Government. In fact whereas it may be argued that if the protective duty turns out to be too low there will be quite a lot said to Government and it is very unlikely that that position would escape Government's notice, it is by no means impossible that the voiceless consumers, who run into millions of course but who have no easy means either of ascertaining the fact or of making their wishes felt, they might easily say nothing about it, and it is peculiarly I conceive the duty of Government to see that the excessive exploitation of the consumer does not go on any longer than is inevitable. But at the same time it is obviously impossible so to adjust any protective duty that at no time in the period of protection will it be excessive ; and for this reason the Tariff Board has always recommended that the duties be fixed for a period.

Now, I think the Honourable Member had in mind certain industries which he did not name and which I will not name, which might be considered as protected industries making excessive profits. But I think the Honourable Member if he casts his mind back will be able to remember that there were periods when the industry in question was paying no dividends at all for a long series of years, so that it is necessary to take the rough with the smooth. It is not fair to jump in the moment profits above the scale calculated by the Tariff Board are being made and to take no notice of periods during which the industry may have been earning less than the amount of profit which the Tariff Board considered reasonable.

My Honourable friend mentioned the subject of excises and he thought that that was not a very good way of adjusting a position wherein excessives profits are being earned. Whilst I consider that the obvious method of making the adjustment is the reduction of the protective duty as contemplated by the Indian Tariff Act, I think that the method of a central excise is the next best thing if you find that excessive profits are being made and if you think that the reduction of the customs duty will have an undesirable effect on your revenue. Surely the obvious thing is to impose a consumption duty, namely, an excise, on the indigenous product. But the essence of this is that you should not also impose a countervailing duty on the imported product. Now unfortunately

[Mr. A. J. Raisman.]

our experience in this country has been that whenever an excise has been imposed there has been a demand that the equivalent amount should be added to the existing protective duty however high it is. It was only in the case of the recent sugar excise that eight annas of the existing protective duty was set off against the excise and that to that extent the margin of profit was narrowed.

Well, Sir, I will not detain the House much longer. There was one other suggestion which the Honourable Mover mentioned and that was a graduated corporation tax. As far as I understand the position, in England I think that something like this in effect is what has been substituted for the original proposal which was put forward. I think that the tax which was sponsored by Sir John Simon is nothing else than a graduated company profits tax or rather a graduated business profits tax. It takes profits above a certain amount and subjects them to, I think it is, a graduated scale of taxation.

Finally, I would point out that there is one other very serious objection to a proposal to tax particular incomes by means of excess profits tax, and that is that such a tax would be discriminatory in a novel and objectionable way. If you have an income-tax system you must endeavour to make it fit all classes of income and you should endeavour to make it work uniformly on all types of comparable income. Now, a tax of the kind contemplated by the Honourable Mover entirely defeats my conception of equity. It means that you select a particular industry for what is in effect an enhanced and a more steeply graded income-tax. Well, once an industrialist has ventured in a particular field and has made profits I cannot see any reason whatever for subjecting his profits to a particularly high rate of tax as compared with his fellow venturer in other business fields. I think that this element of discrimination is one which would completely vitiate, if I may say so, any proposal of this kind. For these reasons, Sir, I regret, whilst I sympathise entirely with the laudable object which the Honourable Member has in mind, I must oppose his Resolution.

THE HONOURABLE MR. HOSSAIN IMAM: Mr. Chairman, before I commence my remarks I wish to state that I have no sympathy with the troubles of A. B. Co. of the Honourable Mr. Raisman who is making 1,000 per cent profit. He should not grudge it if the State and consumers get something back and there is no reason to growl at us. (*An Honourable Member*: "What about losses to the buyers?") I can cite cases of 200 per cent. profits of many Bombay industries, and they are the people who are loudest in their demand for protection!

Sir, I shall commence with my Honourable friend's last remark. He said that my Resolution wants to discriminate; but he did not take into consideration the discrimination in favour of the protected industry. While other industries were struggling for themselves we went out of our way to give help to the protected industries. Are we not justified in demanding that the burden of protection, part of it should be paid back to us? That is not discrimination. If they do not want to have discrimination, let them give up

protection. If the Government and the industrialist would agree on this issue I would welcome that—whether there should be discrimination or not and it is for them to decide and not for us. We who belong to the consumer class are pushed in by both. Government comes in with excise duty and there is the burden on us; the industrialist comes forward and asks for protection and throws the burden on us; we are the beasts of burden. Then he also enunciated the principle that we should in the matter of industrial concerns take the lean years and the fat years together and the condition of the good and the bad ones. Did the Honourable Member consider this principle when he was imposing the excise duty on sugar last session? In spite of the protest from the whole of India against excise duty, that it would adversely affect the industry, it was brought forward; and I confess when I brought forward this Resolution I was afraid that in the next year's budget things of this nature might crop up. If excise duties are imposed because of the countervailing duties put on the customs, the incidence falls entirely on the consumer. Last session too I had doubted whether the incidence of the excise duty would fall entirely on the sugar interests, rather will it fall on the producers and the consumers. We will await the result of the reports of the current year, to find how much of the burden of the additional excise duty which the Finance Department have put has been borne by the producer of the sugarcane and the consumers of sugar; very little, if any, has fallen on the broad shoulders of the industries, because they are quite capable of taking care of themselves. They are more capable; they are capable of throwing it on the heads of others.

Sir, he referred to the failure of the Right Honourable Neville Chamberlain's proposal. While I aver that taxation proposals are never welcome; no one who is to be subjected to income-tax or any other tax would with open arms welcome that and every time that you impose a tax you are sure to have strong protest against it. Because of the fact that the incidence of the duty would have fallen very indiscriminately on almost all industries there was such a combination that the object of Mr. Neville Chamberlain was frustrated. There was nothing inherently bad about the proposal; there was nothing inherently unworkable, because the incidence was so general. My proposal is not open to that attack. One thing was certain from his remarks that taxation proposals cannot be divulged long before their imposition. In the present world trade, when everything which is said and done in the offices of the Government or in the Legislature has a repercussion on the market, and keeping in view the fact that if any decision is made now, or if any action is taken now, it will have very adverse effects on the markets and might cause a great deal of trouble to those who are not vigilant. Realising that the primary duty of the Government is to be watchful and see that profits in the industries are not excessive, and as the Government promise to look into the matter, I do not think I would be advised to press this Resolution to the vote of the House, and therefore request permission of the House to withdraw.

The Resolution was, by leave of the Council, withdrawn.

THE HONOURABLE MR. KUMARSANKAR RAY CHAUDHURY (East Bengal: Non-Muhammadan): Sir, I do not propose to move my Resolution.

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THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I have every reason to hope and believe that the Honourable Mr. Maxwell will look into the cases of the presses and newspapers from which securities have been taken and satisfy himself in the light of the present circumstances whether the retention of the deposits in each case is necessary now. I therefore do not propose to move my Resolution.

CONTROL OF COASTAL TRAFFIC OF INDIA BILL.

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

" That the Bill to control the coastal traffic of India be referred to a Select Committee consisting of the Honourable Rai Bahadur Lala Ram Saran Das, the Honourable Mr. H. Dow, the Honourable Mr. Hossain Imam, the Honourable Mr. A. deC. Williams, the Honourable Mr. R. H. Parker, the Honourable Mr. J. Reid Kay, the Honourable Pandit Hriday Nath Kunzru, the Honourable Mr. Ramadas Pantulu, the Honourable Saiyed Mohamed Padahah Sahib Bahadur, the Honourable Mr. G. S. Motilal, and the mover, with instructions to report on or before "

with your permission, Sir, I would substitute the 31st January, 1938 for the 30th September, 1937,

" the 31st January, 1938 and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five "

Sir, the Coastal Traffic Bill now introduced is somewhat different from the Bill which was originally introduced by me in the winter session of 1936. That Bill was circulated for opinion at the last September session in 1936. I am indebted to my friend the Honourable Mr. Dow for keeping me supplied with the copies of opinions which he has received on the original Bill introduced by me in this House.

Now, Sir, so far as my first Bill was concerned, broadly speaking, the position is this. Indian commercial opinion was generally inclined to be favourable to it. It took the line that the Bill did not go far enough and that it should be made into a comprehensive measure. British commercial opinion was strongly and completely opposed to the measure. Sir, it is unfortunate that the division should have been on racial lines. Sir, so far as the Local Governments are concerned, the position was this—several Local Governments had no opinions to offer. The Madras Government, however, was strongly opposed to the measure and the Madras Government have sent a long memorandum which takes much the same line as the memoranda submitted by the British Chambers of Commerce. The Madras Government, strangely enough, Sir, do not support even the main underlying objective of the Bill, namely, the development of an Indian Mercantile Marine. Sir, in paragraph 5 of their Memorandum they have come out with some most extraordinary remarks and I will just quote these remarks.

" On the question of the development of an Indian Mercantile Marine referred to in the preamble to the Bill, it is this Government's view that India has not so great a need as other nations may have to build up a Mercantile Marine of her own in the interests of her national safety. The British Mercantile Marine is in a very real sense a second line to the British Navy on whose command of the seas the safety of India ultimately depends and this Bill

is in the opinion of the Madras Government calculated to strike at British coastal shipping and indirectly at India's own safety. The declared object of the Bill is laudable but only from a short-sighted point of view and on a closer analysis it is clear that the real object is simply political, to replace the predominantly British by purely Indian interests. That again is a perfectly intelligible reason but the question is whether it is defensible or indefensible in the general economic interests of the country".

Now, Sir, I find no minute of dissent to this note and I take it, Sir, that the Indian Members of the Madras Government were a party to this note. It is a sorry comment, Sir, on the party to which Sir A. P. Patro belongs that they should have allowed themselves to be a party to remarks of this character.

THE HONOURABLE RAO BAHADUR SIR A. P. PATRO (Madras : Nominated Non-Official): On a point of order, Sir. Is the Honourable Member certain of his ground in charging the Ministers and Indian Members of the Government that they were aware of all this. It was a reserved subject and must have been dealt with on the reserved side.

THE HONOURABLE MR. P. N. SAPRU: Sir, who are the reserved Members of the Council? I suppose Sir Muhammad was a Member of the Council and he belongs to Sir A. P. Patro's Party.

THE HONOURABLE RAO BAHADUR SIR A. P. PATRO: He ceased to be a Member three years ago.

THE HONOURABLE MR. P. N. SAPRU: Will Sir A. P. Patro supply me with the names of the Members?

THE HONOURABLE THE CHAIRMAN (THE HONOURABLE SIR DAVID DEVADOSS): That is not relevant to the question.

THE HONOURABLE MR. P. N. SAPRU: Very well, Sir. All I was saying was that the Indian Members of the Government of Madras were parties to these observations. Sir, I can see nothing political in India aspiring to have a Mercantile Marine of her own and considering the world conditions and particularly conditions in the Far East, I think, Sir, it would be to the mutual advantage of both Britain and India if India had a marine of her own.

Then, Sir, there is one other remark that I would like to make about the opinions that we have received from the various Governments. These opinions are those of the old bureaucratic Governments, and popular Governments are now functioning in the provinces. We have not the opinions of these popular Governments before us. I think, Sir, that the line that the popular Governments would take would be different from the line that has been taken by the old Local Governments in regard to this matter.

THE HONOURABLE MR. H. DOW (Commerce Secretary): Why not move for circulation?

THE HONOURABLE MR. P. N. SAPRU: If the Honourable Mr. Dow moves for circulation I would be quite prepared to accept it. But I am certain, Sir, that the popular Governments in the provinces—Governments in Bengal, the Punjab, Sind, and not only the Congress Governments—would give support to this measure. Further, Sir, on examination of these opinions I find that the Bill has the support of a number of officials in various parts of the country.

[Mr. P. N. Sapru.]

All of them, I hope, are not Indians. I have not been able to discover the names of all of them—the names are in many cases not given in the opinions—but I hope, Sir, that the division among the officials is not on racial lines.

Sir, I have endeavoured in the light of criticisms to the extent I could, having regard to the provisions of the Government of India Act, to improve the Bill, and I say, Sir, that the Bill that I have introduced today is better than the Bill that I originally introduced at the winter session of 1936. Sir, I recognise that one particular clause of the Bill originally introduced by me, namely, the imposition of fines without judicial inquiry, was particularly open to objection and I will show to the House that the present Bill is free from that objection. Sir, from the opinions that we have received, I find that commercial opinion has stressed that for the purposes of the penalty clauses and also for the efficient working of the provisions of the Bill, a system of licensing of ships is necessary. Now, Sir, this system of licensing of ships which I have in mind is not the same as the system of licensing of tonnage. I have not the licensing of tonnage in mind but only the licensing of ships. That I will show, Sir, when I deal with the clauses of my Bill. I have by providing a clause for the licensing of ships endeavoured to meet an objection to which my original Bill was open.

Sir, in some of the opinions which we have received it was suggested that the maximum rate should also be fixed. The House will find that in my present Bill there is provision for the fixation of the maximum rate also. The objective of the present Bill remains, however, the same as the objective of the Bill which was introduced in 1930, namely, Sir, the encouragement of the Indian shipping industry, and the removal of certain impediments to its development. Now, Sir, so far as this objective is concerned, the encouragement of the Indian Mercantile Marine, so far as this objective is concerned, I say, Sir, I am sure even the Honourable Mr. Dow will not disagree. The Honourable Mr. Dow can have no disagreement with this objective.

THE HONOURABLE THE CHAIRMAN (THE HONOURABLE SIR DAVID DEVADOSS): Will the Honourable Member be much longer?

THE HONOURABLE MR. P. N. SAPRU: Well, Sir, I shall take about 50 minutes more.

THE HONOURABLE THE CHAIRMAN (THE HONOURABLE SIR DAVID DEVADOSS): I think we may continue the debate on the next non-official day. The Honourable Member can continue his speech on the next non-official day.

THE HONOURABLE MR. P. N. SAPRU: If that is your wish, I shall do so. I shall take about 40 to 50 minutes more.

The Council then adjourned till Eleven of the Clock on Thursday, the 23rd September, 1937.