

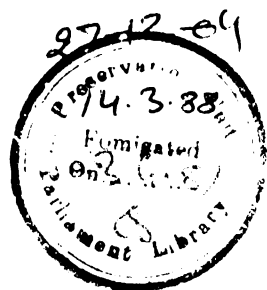
Friday, 28th March, 1941

# THE COUNCIL OF STATE DEBATES

VOLUME I, 1941

*(19th February to 4th April, 1941)*

## NINTH SESSION OF THE FOURTH COUNCIL OF STATE, 1941



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# CONTENTS.

	Pages.
<b>Wednesday, 19th February, 1941—</b>	
Members Sworn . . . . .	1
Questions and Answers . . . . .	1—4
Statements, etc., laid on the table . . . . .	4—5, 6—7
Information promised in reply to questions laid on the table . . . . .	5—6, 7—10
Messages from His Excellency the Governor General . . . . .	10—11
Committee on Petitions . . . . .	11
Welcome to His Excellency the Commander-in-Chief . . . . .	11—13
Congratulations to recipients of honours . . . . .	13
Governor General's assent to Bills . . . . .	13—14
Bills passed by the Legislative Assembly laid on the table . . . . .	14
Presentation of the Railway Budget for 1941-42 . . . . .	14—19
Statement of Business . . . . .	20
<b>Tuesday, 25th February, 1941—</b>	
Questions and Answers . . . . .	21—47
General Discussion of the Railway Budget for 1941-42 . . . . .	48—89
<b>Wednesday, 26th February, 1941—</b>	
Questions and Answers . . . . .	91—117
Bill passed by the Legislative Assembly laid on the table . . . . .	117
Insurance Deposits (Temporary Reduction) Bill—Considered and passed . . . . .	117—119
Indian Merchandise Marks (Amendment) Bill—Considered and passed, as amended . . . . .	119—120
<b>Thursday, 27th February, 1941—</b>	
Questions and Answers . . . . .	121—127
Resolution re Prevention of persons suffering from contagious diseases travelling in trains, etc.—Withdrawn . . . . .	127—133
Resolution re Indian Civil Service—Withdrawn . . . . .	133—164
<b>Friday, 28th February, 1941—</b>	
Presentation of the General Budget for 1941-42 . . . . .	165—178
<b>Wednesday, 5th March, 1941—</b>	
Member Sworn . . . . .	179
Questions and Answers . . . . .	179—193
Information promised in reply to questions laid on the table . . . . .	194—196
Statements, etc., laid on the table . . . . .	196
Bills passed by the Legislative Assembly laid on the table . . . . .	196
Message from the Legislative Assembly . . . . .	196
General Discussion of the General Budget for 1941-42 . . . . .	197—243
<b>Thursday, 6th March, 1941—</b>	
Member Sworn . . . . .	245
Questions and Answers . . . . .	245—251
Bill passed by the Legislative Assembly laid on the table . . . . .	251
Resolution re Recruitment of all classes for the Indian Army—Adopted . . . . .	251—276
Statement of Business . . . . .	276

**Monday, 10th March, 1941—**

Questions and Answers . . . . .	277—285
Resolution <i>re</i> Indian Civil Service Examination— <i>Withdrawn</i> . . . . .	285—308
Resolution <i>re</i> University Training Corps— <i>Withdrawn</i> . . . . .	308—315

**Tuesday, 11th March, 1941—**

Statements, etc., laid on the table . . . . .	317
Central Advisory Council for Railways . . . . .	317
Standing Committee for Roads, 1941-42 . . . . .	317
Standing Committee for the Department of Communications . . . . .	318
Petroleum (Amendment) Bill—Considered and passed . . . . .	318—319
Berar Laws Bill—Considered and passed . . . . .	319—320
Assam Rifles Bill—Considered and passed . . . . .	320
Indian Railways (Amendment) Bill—Considered and passed . . . . .	321—341
Resolution <i>re</i> Payment of Compensation in respect of war injuries, etc., sustained by Indian seamen—Adopted . . . . .	341—342

**Monday, 17th March, 1941—**

Questions and Answers . . . . .	343—352
Resolution <i>re</i> Allocation of Defence expenditure between His Majesty's Government and India— <i>Negative</i> . . . . .	352—365
Standing Committee for Roads, 1941-42 . . . . .	365
Central Advisory Council for Railways . . . . .	365—366
Standing Committee for the Department of Communications . . . . .	366
Resolution <i>re</i> Federal Court— <i>Withdrawn</i> . . . . .	366—377

**Monday, 24th March, 1941—**

Questions and Answers . . . . .	379—389
Death of Sir Muhammad Hayat Khan Noon . . . . .	389—390
Bills passed by the Legislative Assembly laid on the table . . . . .	390
Resolution <i>re</i> Review of Industrial development—Discussion postponed . . . . .	390—391
Resolution <i>re</i> Indian Civil Service . . . . .	391—402
Delhi Masajid Bill—Recommendation to the Legislative Assembly that the — be referred to a Joint Committee . . . . .	402—403
Indian Limitation (Amendment) Bill—Motion to refer to Select Com- mittee, adopted . . . . .	403
Statement of Business . . . . .	408

**Thursday, 27th March, 1941—**

Member Sworn . . . . .	405
Questions and Answers . . . . .	405—413
Information promised in reply to questions laid on the table . . . . .	413—422
Bills passed by the Legislative Assembly laid on the table . . . . .	422
Standing Committee on Emigration . . . . .	422
Standing Committee for the Labour Department . . . . .	422
Standing Committee for the Department of Commerce . . . . .	422
Standing Committee for the Department of Supply . . . . .	422—424
Central Advisory Council for Railways . . . . .	424—425 and 465
Standing Committee for Roads, 1941-42 . . . . .	425
Indian Finance Bill, 1941—Motion to consider— <i>not concluded</i> . . . . .	425—465
Statement of Business . . . . .	466

	PAGES.
<b>Friday, 23rd March, 1941—</b>	
Member Sworn . . . . .	467
Message from the Legislative Assembly . . . . .	467
Indian Finance Bill, 1941—Considered and passed . . . . .	467—518
Standing Committees . . . . .	518
Statement of Business . . . . .	518
Appendix . . . . .	519
<b>Saturday, 29th March, 1941—</b>	
Questions and Answers . . . . .	521—553
Protective Duties Continuation Bill—Considered and passed . . . . .	553—556
Indian Tariff (Amendment) Bill—Considered and passed . . . . .	557
Tyres (Excise Duty) Bill—Considered and passed . . . . .	557—559
Excess Profits Tax (Amendment) Bill—Considered and passed . . . . .	560—562
<b>Wednesday, 2nd April, 1941—</b>	
Questions and Answers . . . . .	563—582
Bill passed by the Legislative Assembly laid on the table . . . . .	582
Standing Committee on Emigration . . . . .	583
Standing Committee for the Department of Commerce . . . . .	583
Standing Committee for the Labour Department . . . . .	583
Standing Committee for the Department of Supply . . . . .	583—584 and 617—618
Information promised in reply to questions laid on the table . . . . .	584
Resolution <i>re</i> Industrial development—Adopted, as amended . . . . .	584—617
Statement of Business . . . . .	618
<b>Friday, 4th April, 1941—</b>	
Questions and Answers . . . . .	619—620
Statements, etc., laid on the table . . . . .	621
Death of Sir Sundar Singh Majithia . . . . .	621—622
Delhi Restriction of Uses of Land Bill—Considered and passed . . . . .	622—628
Insurance (Amendment) Bill—Considered and passed . . . . .	628—643

# COUNCIL OF STATE

*Friday, 28th March, 1941.*

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The Council met in the Council Chamber of the Council House at Half Past Ten of the Clock, the Honourable the President in the Chair.

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## MEMBER SWORN :

The Honourable Mr. D. N. Mitra (Nominated Official).

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## MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

**SECRETARY OF THE COUNCIL :** Sir, a message has been received from the Legislative Assembly. The message runs as follows :—

“ I am directed to inform you that the message from the Council of State to the Legislative Assembly desiring its concurrence in a Resolution to the effect that the Bill to make better provision for the administration of Masajid and the Endowment of the Jama Masjid, Fetehpuri Masjid and Kalan Masjid of Delhi, be referred to a Joint Committee of the Council of State and of the Legislative Assembly, and that the Joint Committee do consist of 12 members, was considered by the Legislative Assembly at its meeting held on Thursday, the 27th March, 1941, and that the Resolution was concurred in by the Legislative Assembly with the substitution of the figure “ 14 ” for the figure “ 12 ”.

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## INDIAN FINANCE BILL, 1941—*contd.*

**THE HONOURABLE THE PRESIDENT :** Honourable Members, before we proceed with the legislative work I wish to point out that I propose to call upon the Government Member at 4 P.M. this afternoon to wind up the debate, and I trust that before that time all the principal speakers will have completed their speeches. I also wish to point out that it is not the usual practice of any House that every Member present should have an opportunity of speaking. I have tried during the time I have held office to afford every possible and reasonable opportunity to Members to speak. But it depends upon Honourable Members to mark time and to be as frugal in time as possible. As regards the Government Member, he would have little to say this afternoon, because from what I have seen yesterday most of the speeches made were of a political character and had nothing whatsoever to do with the Bill before the House. Therefore I presume that the Government Member will not see the necessity of replying at length to political speeches.

**THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) :** Sir, India has been declared a belligerent country and she has to bear the burden of taxation whether she likes it or not. The questions whether the taxable capacity of India has reached the maximum limit, whether new sources of taxation can be tapped, whether India has been able to bear the taxation are questions decided by a foreign Government which is not only not responsible to this Legislature, but is also not responsive to public opinion in India. Judging from this point of view, Sir, the Government has made

[Mr. V. V. Kalikar.]

the best of a bad bargain, though I think there are cogent reasons for asking the Government to consider their policy of taxation, and to see whether if money is needed for the war efforts and for the purpose of the militarization of India, new source of taxation can be tapped. We must thank the Government because they have not imposed further taxation on us, and therefore we should not in any way grudge giving money for the defence of India. But, Sir, the question is whether we give the money willingly or unwillingly. The Government have power to take money from our pockets, but we claim that we should be associated with them in getting the necessary funds for militarization of India. India however finds that her aim has not been achieved in so far as the co-operation of public opinion in India is concerned. India wants to co-operate in Britain's war efforts, but on honourable terms. But the British Government have made no serious attempts for getting the willing co-operation of India in the prosecution of her war efforts. I should address myself for a moment to the history of the last 16 or 18 months since the outbreak of the war and see what efforts the British Government have made for getting the real and active co-operation of Indians in the matter of the prosecution of the war. First, Sir, there was the declaration made immediately after the outbreak of the war for establishing a Consultative Group. Sir, that declaration did not find support with the major political parties in India, and under that pretext that declaration was not given effect to. Then, as the result of the debate in the House of Commons on the Motion of Mr. Wedgwood Benn, there was a further declaration on 5th November to the effect that the British Government wanted a temporary expansion of the Central Executive Council, and attempts were made to rope in public opinion. But that idea also was dropped and no further progress was made to put into practice that scheme. Then the famous declaration of August 8th was made. In that declaration it was admitted that the major political parties in India had not agreed and that it was still open to them to unite and accept office in the Executive Council. The question is whether all these declarations made by the British Government or their spokesmen in India were made with a genuine desire to associate public opinion in India with the war effort? To a layman like myself it seems that a pretext or an excuse was found to drop all constitutional reform, however important it may be, and to carry on the one man's show in the Central Government as well as in seven provinces. I make these remarks after taking into consideration the past history of constitutional reforms in India in spite of the opposition of the political parties in India. The Montford Reforms were introduced though the British Government knew that they were not liked by the Congress and some other parties. Though the reforms were boycotted and the Congress did not enter the Legislatures, still the British Government could find men to work the reforms, and the reforms were implemented and the Act came into force. The Congress recognized their mistake after a very long time and then they returned to the Legislature and ultimately declared that as the Parliamentary idea has come to stay in India, they ought to take advantage of the reforms. Then we come to the present Government of India Act. When the proposals on which the present Government of India Act is based were published through a White Paper was there agreement between the major political parties in India? Is it not a fact that the proposals embodied in the White Paper were opposed by all political parties in India? I want to ask the British Government whether they found agreement in the three Round Table Conferences among the major political parties in India. Then the Joint Select Committee's Report was published. Would the British Government say that the Joint Select Committee's Report was received with

great enthusiasm by the political parties in India and accepted by them ? Then came the Communal award and the Government of India Act. Is it contended by the British Government that the Communal award and the Government of India Act which is based on the Communal award were supported by the major political parties in India ? Let us go a step further. Even after the passing of the Government of India Act, the major political party in India, the Congress, did not accept it and remained out of office for two months. You established interim Ministries during that period. Is there any provision in the Government of India Act under which you could establish interim Ministries ? The whole trend of events will show that you wanted reforms to be introduced and you found out ways and means to overcome the difficulties. But, after the outbreak of war, you decided that Indians should not be associated with you in carrying out your policy. Unfortunately, Sir, for want of political sagacity on the part of Congress, you took advantage of my countrymen's giving you indirect help and did not allow the Executive Council to be expanded on one pretext or other. You say that the offer of August, 1940, is still open. But in that very offer you have given the right of veto to the minorities. Is it contended seriously that the major political party in India should concede to the demand of vivisection of India made by another party ? You have been encouraging the minorities for the last 25 years and the result is they have passed a resolution about the vivisection of India. So, it is not the Congress or the Muslim League that is mainly responsible for this political deadlock, but equally the British Government is responsible for it. If you really desire to end this political deadlock and to associate public opinion in the direction of your policy about war efforts, it is your duty to come out with an offer to those who are willing to co-operate with you in the successful prosecution of the war and to get them in and carry on the policy according to their wishes. Sir, ex-Members of the Viceroy's Executive Council have again attempted to show you the proper path. Men like Sir Tej Bahadur Sapru, about whose integrity and character nobody can question, have come out with the desire to help you in your war effort, to end the political deadlock in the country and to create enthusiasm amongst Indians by telling them that the war is not the war of Britain only but the war efforts have to be assisted by Indians also. They have made an offer and it is for you now to decide once for all whether you will accept that offer or not. It may be said, Sir, that the Bombay leaders have no representative character. In fact that has been said in some quarters. Sir, the leader of the Hindu Sabha, the leader of the Hindu League, the leader of the Liberal Federation, were parties to the resolution that was unanimously passed at Bombay. Can anybody doubt the representative character of these three gentlemen ? Sir, they have made it plain that they are not out for jobs ; they have made it clear that if after the scheme propounded by them in their resolution is put into effect the two major political parties in India agree to work in the Central Executive Council, they will be ready to vacate their place. Sir, they are not hunting for jobs ; they are out to end the political deadlock with a view to help India's war effort and to protect India from foreign aggression. Sir, I want to know the attitude of the Government of India on the Bombay resolution. Do the Government of India really desire that public opinion should be associated in the direction of the war effort or not ? It is no use trotting out an argument that it is not in the public interest to disclose what sort of advice the Government of India have given to the Secretary of State or to His Majesty's Government after the Bombay Conference. The Government of India ought to state what advice they have tendered. If they do not the public may reasonably infer that the Government of India as a whole do not like the association of public men in the administration of this country during the emergency period.

[Mr. V. V. Kalikar.]

Sir, it may be said that in spite of all the efforts on the part of the leaders who gathered at Bombay they have no following in the country and therefore their advice cannot be given effect to. As I said just now the following of the three leaders I mentioned consists of a vast mass of the population, and just because the Congress and the Muslim League do not want to enter the Executive Council or to direct the war policy at this juncture, the help of these leaders should not be rejected. Sir, discordant voices have been sounded and are being sounded about the Bombay resolution. It may be from interested quarters, the voice may come from quarters which always support the Government in season and out of season. I have reliable information in my possession to the effect that some gentlemen who were not invited to the Bombay Conference have begun to belittle the resolution and to challenge the representative capacity of the leaders who attended. But I must warn the British Government that if they continue this hide and seek game, if they put forward pleas and excuses to avoid giving effect to the resolution of the Bombay Conference, they will stand condemned at the bar of public opinion in the world. If you want democracy, if you are fighting really for democracy, then you have also to take into your confidence leaders of the people for the successful prosecution of the war. Sir, it is most unfortunate that some discordant voices are sounded by some of my countrymen even in regard to the modest demand of the Bombay resolution. But in India we can always find men who, not out of their own conviction but because of their personal needs, will support the Government when the Government adopts a particular attitude. I therefore warn the British Government not to listen to the advice of those interested persons but to give effect, and immediate effect, to the Resolution of the Bombay Conference and see that the policy at the centre is directed according to the advice given by eminent public men in India and not directed from Whitehall and that there is not one man's show any more. I am not in a position to support the Bill, though I do not attack the taxation proposals. I am myself a co-operator. I have been supporting the war efforts of the Government, but I think this is the proper forum wherein I can ventilate my grievances and register my protest against the inaction, the distrust, of the British Government and therefore, Sir, I am obliged to oppose this Motion.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan): Sir, before I begin my observations, I feel proud that our Indian regiments have been able to capture Keren and Harrar. I offer

11 A. M.      congratulations to them and also convey my admiration for the traditional bravery of the Indian troops engaged in Africa who have contributed to the decisive victory which the Imperial forces have secured over the Italians. It is not only in North Africa and in Somaliland and in Abyssinia that our Indian forces have been showing their traditional heroism, but my information is that during the Boer War Indians were mainly responsible for the victory in East Africa.

My esteemed friend the Honourable Dr. Kunzru dealt with the political situation of the country at length and I would not take much time of this House to dilate on that subject. I only want to make a couple of observations as far as the political situation is concerned.

Sometime back, say a decade back, the general masses had great respect for the rulers, I mean the Governors and His Excellency the Viceroy. What do we find now? We find that before His Excellency the Viceroy or Their Excellencies the Governors are allowed to go out of their residence, hundreds and sometimes thousands of police are deputed to guard the route. That



fact surprises and pains us all. Has the Government been able during the last so many years to find out why that heavy loss in prestige has occurred and how that prestige can be regained ?

Then, Sir, I have been, during the 29 years of my life in the Legislatures, always pointing out to the Government the defect in the present system of education. I generally describe the present education as Godless. The products of the universities and the schools are not what similar products in other civilized countries are. Therefore many Indians send their boys to England, to Cambridge, to Oxford and other Universities for education, rather than educate them in India. Ever since the portfolio of Education was established in the Government of India, the value of real education has considerably gone down. Now as we have an eminent Member in charge of Education, I will draw his attention to the fact, that the present system of education, rather Godless education, requires revision, so that the products of the colleges and schools may compare favourably with those in other civilized countries of the world.

Then, Sir, I come to the matter of discriminatory legislation in provinces. Where discriminatory legislation is being put on the Statute-book and it is a pity that notwithstanding provision in the Government of India Act, the Governors, generally speaking, are not withholding assent to such measures. I am one of those who value highly the British connection and I feel that any cause which leads to discontent must be removed. In the days of the present great war we need the full co-operation of everyone. What is the Government doing to secure that co-operation ? The economic condition of the country is going down every day. Taxation is imposed to the highest limit which Indians cannot afford in proportion to their income. Big aristocrats, like His Highness the Maharajahdiraj of Darbhanga, while making observations on the Budget lately gave frank expression to his real inner feelings. Why is there a change of mentality going on so fast in the country and even the magnates of India are being forced to change their views and feel discontent ?

Sir, how has His Majesty's Government treated India as far as the disposal of raw produce of the country is concerned ? Apart from the closure of markets, the absence of shipping tonnage and the quota restrictions arising out of the methods of economic warfare, the plight of the Indian commercial people is becoming miserable. The British Government have followed a policy in the case of India's raw produce different from the one they have been following with regard to the primary produce of South Africa, Australia and New Zealand, and even of a non-Empire country like Egypt. With a view to help Egypt's agricultural economy an agreement was entered into with the Egyptian Government under which the British Government contracted to purchase the entire Egyptian cotton crop during the war and one year thereafter at prices considerably higher than of the crop bought during several recent years. What have they done for India ? The Honourable the Finance Member himself admits that prices since the war have gone down by 40 per cent. Sir, the prosperity of a country depends upon the economic condition of the masses. Over and above that, the British Government agreed that in case of loss, they will not ask the Egyptian Government for any share in such loss. On the other hand in case of profit accruing, the benefit of the profit will be shared by the Egyptian Government for the improvement of their cotton crops and industry. Similar agreements were entered into by the British Government with the Governments of South Africa, New Zealand and Australia in respect of entire wool clips. The prices paid under the agreement were 40 per cent. higher than the pre-war prices. For example,

[Rai Bahadur Lala Ram Saran Das.]

for the 1939-40 South African wool clip a price of 11·8d. per lb. was paid compared to 8·3d. per lb. for the season preceding the war. We do not find that here, Sir. Instead of Government buying the crop and helping the poor cultivator, they have done nothing in the matter with the result that the prices of the produce have gone down. Recently there has been a little rise, but we do not know whether this rise will be maintained or not. When the British Government has been so generous to the Dominions and Colonies, why has that generosity not been extended to India? I would like, the Honourable Member to explain why there is this discrimination in policy as compared to various countries under the British Empire?

Sir, everyone of us knows the plight of the Indian sugar industry. There has been a quota of so much, and there has been a restriction to the export of sugar, while on the other hand His Majesty's Government has agreed to purchase the entire exportable sugar crop of Australia, the Union of South Africa, Mauritius, Fiji, and British West Indies. This agreement involved a total quantity of about 18 lakhs of tons of sugar, and these sugar-producing countries would be able to dispose of about two lakhs of tons more than was the case under the International Sugar Agreement. Why is this differential treatment in the case of India? We want His Majesty's Government to be impartial in this respect and to extend the same generosity to India as they have been extending to other Colonies and Dominions. The condition of our agricultural people is going down owing to the fall in prices. The Government policy on the other hand, instead of increasing the prices, has had a depressing effect.

Sir, now I come to the absence of shipping tonnage. The country has been agitating for a long time past that Government should encourage the establishment of shipbuilding yards. We appreciate the action of the Government in helping in the establishment of an aircraft factory at Bangalore, and I take this opportunity also of thanking His Excellency the Commander-in-Chief for placing an order for a certain number of aeroplanes with this factory, which shows that the Government after all has extended patronage. But as regards shipbuilding yards, the Scindia Steam Navigation Company, I understand, wanted to establish a shipbuilding yard at Calcutta; but the apathy of the Port Commissioners there led them to give up their Calcutta scheme, and thus forced the Company to shift their shipbuilding scheme to Vizagapatam. In case, Sir, Government had allowed shipping yards to develop in India in the past, the present emergency would not have arisen and the closure of foreign markets would not have come about owing to want of shipping. However, Sir, nothing is too late, and even now when Government is realizing the results of their blunder they should come forward to undertake such like measures which will help India in defending itself and in defending the Empire.

Sir, at the beginning of the war, the British Government did not appoint the Indian Government as their agent to buy groundnuts. Groundnut is one of the principal commodities of export from India. What was the result of that? Although the price paid for groundnuts was £10 sterling a ton, the poor Indian exporter only got £7-10-0 to £8 a ton. I see that the British Government became wiser later and began to buy their requirements through the Government of India.

Then, Sir, I come to industrialization. We all feel very grateful to the Honourable Sir Ramaswami Mudaliar, the talented Commerce Member who was mainly responsible in establishing the Board of Industrial and Scientific Research and the War Export Council in India. But this matter was delayed

for a number of years. During the last war the British Government did appoint a similar Research Board in the United Kingdom and that this Board was given a grant of £1,000,000 and made it permanent. I wish that the Government of India also will be so generous and wise as to make this Board a permanent body. After the war there is bound to be a slump and industries in their present weak financial position cannot pay taxes. In the United Kingdom the British Government has established an Industrial reconstruction Council and they have employed Sir Charles Innes, a retired gifted Commerce Member of India, as the head of that Department. May I know what the Government of India has done in this respect? This is rather a very important matter and I hope the Government of India will follow the example of the British Government and establish an Industrial Reconstruction Council in India.

The Secretary of State for India made a statement that India was highly industrialized. With due deference to him, my information is that the statement was not correct. What is the index of our industrial progress? It is the consumption of coal per head. What do we find there, Sir? The per capita consumption of coal in India in 1936 was 1 metric tons as compared with 3.5 to 3.9 metric tons per person per year in the British Isles and 2.5 metric tons in the United States, Belgium, Canada and Germany. That shows the difference in industrialization of the various countries.

It is a matter of great satisfaction, Sir, that the Government of India has appointed more Trade Commissioners. But India demands much more than they have done. We have been asking the Government to appoint Agents in Trinidad, Jamaica in the West Indies. A Royal Commission was appointed to go into the constitution of the West Indies but, so far as my information goes, the question of a Trade Commissioner and also an Agent at Trinidad, Jamaica in the West Indies has not yet materialized. The sooner Government does it the better.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** The Government of India have done nothing about it.

**THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** That is my grouse. The Government of India may have looked into the matter, but Whitehall might have turned down the proposal, as generally is the case.

**THE HONOURABLE SIR ALAN LLOYD :** May I ask if the Honourable Member is referring to any proposal for the appointment of Trade Commissioner? May I ask if he is suggesting that Whitehall has turned down a proposal for the appointment of a Trade Commissioner?

**THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** I am supporting the proposal that we want an Agent in Trinidad, Jamaica in the West Indies.

**THE HONOURABLE SIR ALAN LLOYD :** But the Honourable Member suggested that Whitehall has turned down a proposal to that effect. Is that the case?

**THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** What I said was that the proposal for the appointment of an Agent in Trinidad presumably has been turned down by Whitehall.

**THE HONOURABLE SIR ALAN LLOYD:** If the Honourable Member will kindly let me intervene again, an Agent and a Trade Commissioner are two entirely different things. As regards an Agent, the Honourable the Leader of the House will be in a position to speak, but as regards the appointment of a Trade Commissioner, I can say at once that there has been no question of Whitehall turning down any proposal for the appointment of a Trade Commissioner anywhere.

**THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS:** I refer to both matters, Sir.

**THE HONOURABLE SIR ALAN LLOYD:** I, Sir, am referring to one of them.

**THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS:** Very well My grouse is that an Agent in Trinidad, Jamaica in West Indies has not yet materialized notwithstanding the demands of India. Perhaps I may tell the Honourable Sir Alan Lloyd that even these Trade Commissioners some times do other work of the Government—

**THE HONOURABLE SIR ALAN LLOYD:** Not with the permission of the Commerce Department.

**THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS:** It may be with the permission of the Commerce Department or of the Foreign Department. But I know it is a fact that the grouse of Indians in Trinidad has not yet been removed, and there is great agitation there on that account. Certain associations in India agitated on that point and made representations to the Government of India and the Colonial Government, but, so far, their grouse in Trinidad, Jamaica in West Indies and probably in New Guiana also have not been removed.

I find that the Government of India, probably at the instance of His Majesty's Government, had thought it wise to commandeer all the dollar resources in India. Sir, at a time of war, it may be justified. But the only point which I want to stress at this juncture is that in case the Government of India need some foreign resources for their own commerce, they will be kind enough to provide those foreign resources up to the extent to which the dollar resources have been withdrawn from this country.

I then come to the Chatfield Report. In the Chatfield Report an expenditure of Rs. 45 crores was asked for to modernize the Indian Army, out of which the British Government were generous enough to contribute Rs. 34 crores and the rest, Rs. 14 crores, was provided by loan. Though the Committee recommended the completion of this job in five years, the Government of India had thought it proper, owing to the war, to expedite it in three years. If I am mistaken, His Excellency the Commander-in-Chief will put me right. Sir, that meant that instead of completing the scheme in five years the scheme is nearing completion now in three years, and the result is that India is being highly taxed to meet that cost. My suggestion is that all such expenditure should be met by loans and not by additional taxation. Additional taxation must have a limit. I can tell the Government that the present taxation is too heavy and cannot be borne by the country. In my last speech upon the Budget the other day I observed that the average yearly income of an Indian is Rs. 85 as compared with Rs. 1,800 of the Britisher. Now, Sir, in the present time after so many years of economic depression the financial position of the

average Indian is now lower than it was ever in the past. To impose this extra heavy taxation is not in my humble judgment wise. The masses ought to feel contented. We are all prepared to make sacrifices for the war and we all wish that Nazism should be destroyed, but all the same Government should see that the financial position of the masses is not broken. What is the actual result of the present taxation? I will put on the House a statement showing the effects of the war tax on profits. Taking excess profits tax at 66  $\frac{2}{3}$  per cent., income-tax at 2 $\frac{1}{2}$  annas and super-tax at 1 anna in the rupee and surcharge at 33 per cent., what is the effect? If we take the standard of profits to be Rs. 9 lakhs and the current war profits as 11.25 lakhs, that is excess profits of Rs. 2.25 lakhs, on that the excess profits tax comes to Rs. 1 $\frac{1}{2}$  lakhs. The balance left is Rs. 75,000. Income-tax and super-tax comes to Rs. 21,875 and additional income-tax and super-tax and surcharge comes to Rs. 65,625, making Rs. 87,500 in all. Then what is the position? There are no profits. On the other hand there is a deficit of Rs. 12,500, i.e., a *minus* profit or loss of 1.4 per cent. I will not go into all the other figures because I am laying this statement\* on the table of the House for details, but will indicate to the House what the actual results are. In case of 25 per cent. increase in taxable profits the real increase of net profits is, as I have already indicated, *minus* 1.4 per cent. In case of 30.88 per cent. increase the real profit is nil. In case of a 50 per cent. increase in taxable profits the real increase of profits is 4.5 per cent. In case of a 75 per cent. increase in taxable profits the real increase is 10.4 per cent.; and if there is cent. per cent. increase the real increase of net profits is only 16.3 per cent. Sir, it is all right to say that in war time everybody must contribute his share. But that share must be in accordance with the taxable capacity of the person. This statement that I have laid on the table of this House shows that although in Great Britain the Government is allowing industries a certain concession to make up their reserves for the slump which will come after the war, in India nothing is being done in that respect. All this means that our surplus funds are being depleted. How can we start new industries? How can we help the war by further industrialization? I think this policy of the Government of India is wrong and not in the interests of India and so needs prompt revision.

Then I come to the question of compulsory war insurance. The Government has enforced on India a compulsory war insurance. The danger at present is not real. Of course one can only make that statement from the facts and data available. However, for war purposes we do not oppose it. But my proposal is that the income of this war insurance must be kept separate and must be utilized for the benefit of industry. It should not be allowed to be merged in the general revenues of the country.

Another question I want to bring before you is that of unemployment of the educated young Indians. I need not dilate much on that subject because everybody know it and feels the pinch. The majority of our educated young Indians cannot find employment and Government so far has not been able to find a suitable solution. One of the suitable solutions in my opinion lies in the industrialization of the country. It will absorb more and more such men. The present policy of the Government of India seems to me to discourage the growth of Indian industry. Therefore, if Government cannot patronize to the extent of uplifting industries, Government should find some other means of employing these young men who whilst unemployed are led into discontent and all its consequences which we all want to avoid.

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\*See Appendix at end of this debate.

[Rai Bahadur Lala Ram Saran Das.]

My Honourable friend Dr. Kunzru yesterday observed about the political deadlock. We all deplore that deadlock. We know that so far the Government has not succeeded in finding a suitable solution. Sir, the present agitation of the Congress differs very much from the agitation which it previously carried on. The Premiers and the Ministers regarding whom the Government of India and the British Government had at times paid high tributes are now confined in jails. What are those people? They are the real representatives of the public. They have a large following and by confining them in jail I do not know what advantage the Government is getting. In my opinion it is pinching the minds of those who elected those persons and Government who paid tributes to those Ministers and Premiers, should not now treat them as condemned persons. I am not one of those who advocates breach of law, but after all this is not an ordinary case. The agitation is going on on different lines altogether. The agitation is being carried on by the real representatives of the people and by the masses who returned them to the Legislatures. If you count the total number of votes polled in election campaigns of those Premiers and Ministers who are now in jail, you will realize under the circumstances that something must be done to put an end to this. We want all India to fully co-operate and unless the discontent, the legitimate discontent, is removed you cannot get the full co-operation of India. Some people who have a stake in the country believe that the British connection is a blessing. But we have to see the whole country. What is the present plight of those who have a stake in the country? I am not criticizing the Congress Governments, but I must say that in the North-West Frontier Province peace and order has declined and abductions and horrid crimes have very much increased. What do we find in the United Provinces? Take for instance the Talukdars of Oudh who have been rendering loyal services for many generations and centuries. What is their plight now. I had a talk with some of them and I can tell you that they seem discontented. Generally speaking, the people of India are not content for some reason or another and Government should in their own interest and in the interests of India find out a solution. I would not take much time to deal with that matter, because some of my friends and colleagues who have spoken before me have dealt with this subject so well.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable the Leader of the Opposition explain whether the Congress is the representative of the opinion of India or the non-Congress?

THE HONOURABLE THE PRESIDENT: Order, order. Your interference is not justified.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I am sorry that my answer to the question will take much time.

THE HONOURABLE THE PRESIDENT: You have taken nearly an hour already.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I might leave that question alone. The time at my disposal being very short.

THE HONOURABLE THE PRESIDENT: You have had quite a long time already.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Sir, I have already said that the Board of Scientific and Industrial Research should be put on a permanent basis and yearly allotment should be given to it. In that connection the work which is given to the Institute should be given to Indian nationals in preference over foreigners who start new industries which this Board might recommend. As regards shipping I said that shipbuilding yards should be encouraged—

THE HONOURABLE THE PRESIDENT : Please do not repeat your arguments. You have already referred to shipping matters.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Sir, I am adding to what I have spoken. When the British Government is getting their shipping orders booked in Mexico and the United States, a reasonable number of ships should be placed at the service of India to meet its requirements.

I congratulate the Government of India on their acquiring the telephone services in India at a cost of about Rs. 4½ crores. This action ought to result in cheaper service in the stations as well as in trunk calls. I also take this opportunity of thanking the Government of India for their successfully piloting the Merchandise Marks Bill. That Act was very badly needed in the interest of the trade and commerce and I am glad that the Government has been able to put it on the Statute-book.

Then, Sir, I come to the plight of Indian overseas. In Burma, Ceylon and in Indo-China Indians have been put to great inconvenience. In Burma alone one of my friends who used to be a Member of this House has I understand lost Rs. 2 crores. In Indo-China the treatment of Indians has not been put right. I know that our Honourable Member for Emigration is doing all he can, but after all there are certain limitations, and unless the Government in England takes keen interest in the matter, much cannot be achieved. What is going on in Ceylon is known to everyone. The Ministers are becoming rather obstinate in their demands to win cheap popularity. But I hope that the Government of India will be able to prevail upon them and find some sort of solution to remove that difficulty. India does not want to fall out with any Colony, particularly in time of war, but here Ceylon is to blame, because they started breaking good relations. Therefore in case relations do not improve, retaliatory action will be the only measure; and just now when Ceylon has not got any textile mill or when they cannot dispose of their produce for want of shipping India probably is in a position to dictate.

Then, Sir, I come to some matters as regards the Defence Department, and I am glad that His Excellency the Commander-in-Chief is here to hear my grouse.

THE HONOURABLE THE PRESIDENT : You know we are pressed for time today. You do not seem to think of other Members who want to speak.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I will now finish my observations in about five minutes time. I say that as far as the colour complex is concerned we feel grateful to Government for having removed it. We are also thankful to His Excellency the Commander-in-Chief for that action. Another point which is agitating the Indian mind is the difference in pay and allowances between the British and Indian commissioned officers. We all admit that overseas allowance should be given to British officers: but as regards other allowances, both Europeans and Indians must be at par. There must be no discrimination of any sort. My Honourable friend Pandit

[Rai Bahadur Lala Ram Saran Das.]

Kunzru has said that the position of the officers joining from the Indian Sandhurst, Dehra Dun, should be improved. They should not be dignified jama-dars. They must start their life as company officers and not as platoon commanders. The Viceroy's Commission having been revived, those are the persons who have long proved their worth as platoon commanders. If you do not restore them to platoon command, I think you would not be appreciating the services of those who have done so well in the past. Therefore, Sir, I wish that the product of the Military Academy at Dehra Dun should be put at a par with the British officers. It is all right to say, Sir, that you have introduced a new system in the Indian Army. But when you have revived the Viceroy's Commission there is no reason for following the British practice in the Indian Army. The circumstances are different and therefore with the mechanization of the forces and modernization of the Army I would beg His Excellency the Commander-in-Chief to appease the public mind as regards improvement. I wish, Sir, that that point may be cleared. It was, as far as I understood it, clarified, but the statement in the other House has confused the matter, and we do not know what exactly the present position is—to what extent the non-martial tribes are to be taken, whether they are to be taken now or after the war. The sooner, Sir, this question is decided the better.

As our Honourable President wants me to close my speech, I will do so with few remarks, and that is that in the Defence Services there must be no discrimination. I find, Sir, that in the Defence Services, as my Honourable friend Dr. Kunzru said, all sorts of people are being given King's commissions in the British recruitment—tea-planters, lorry drivers and what not. They are being given King's commissions freely. But in the case of Indians, different rules are being observed. I find, Sir, that in the Contracts Directorate, certain officers who belonged to the subordinate service are now commissioned officers—for instance a person who was merely a clerk and rose to the position of a head clerk and then became an Extra Assistant Commissioner, was recently promoted to Lieutenant-Colonelship. Why? The officers of the covenanted services, I mean the I. F. S., the I.C.S., and other covenanted services, are all given rank of Second Lieutenants and Lieutenants. There is heart-burning on this question and I hope that His Excellency the Commander-in-Chief will see that officers who come from the Superior Services do not get differential treatment when a man who rose from the subordinate service can become a Lieutenant-Colonel, a person who has put in 15 years service or more in a superior appointment is appointed a Second Lieutenant or a Lieutenant. That is a matter, Sir, over which people feel, and I hope that His Excellency the Commander-in-Chief will see his way to remove the right grouse. Sir, as the only constitutional method of our protest which is open to us is to oppose the Bill. We are all co-operators, we are helping the British Government, we are doing everything, but we have no other course open to us than to file our protest by opposing the Bill.

THE HONOURABLE THE PRESIDENT : I wish to interfere at this stage for a minute. Some Honourable Members are under the impression that there is no time limit whatsoever to speeches on Bills. I quite agree that under the Standing Orders I am not able to interrupt any Member as long as he talks on the Bill. But when political speeches are made, they could be made possibly for two to three hours by every individual Member, and no opportunity will be given to other Members to address the House at all. I



am very anxious that as many Members as possible should get an opportunity of speaking on an occasion like this ; and I therefore say that in future it will be my sad duty if Members talk on political issues to interrupt. If Honourable Members confine their remarks to a limited period I have nothing whatever to say. But as the Honourable Member has just now done, he has spoken for an hour and twenty minutes, and it will be impossible to enable other Members of this House to express their opinions on the subject. Therefore it should not be thought that the Chair has no power whatever to stop when you are talking on political subjects. I may not have a right to disturb you when you are speaking on the Bill itself under the Standing Orders, but when political speeches are made, it will be my sad duty, to interfere.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Wont you kindly extend the Council to another day and give us all time to speak ?

THE HONOURABLE THE PRESIDENT : It is not in my hands. You must make that request to the Leader of the House.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I do make this request to the Leader of the House.

THE HONOURABLE LT.-COL. SIR HISSAMUDDIN BAHADUR (Nominated Non-Official) : Mr. President, Sir, I am sure that I will not waste the time of the House so much. The outbursts from the side opposite in regard

12 Noon. to the taxation proposals in the Finance Bill have surprised me. It is the privilege of the Opposition to criticise but the criticism should be of a helpful and not of a destructive or obstructive nature. Taking into consideration all what is happening today, it is no use shutting one's eyes and ignoring the danger which confronts India. In the East Japan is making a bid for mastery and the ambitions of Russia cannot be overlooked. The Frontier tribes are always a live issue. Thus the prospect for India is dangerous, full of black days, horrors and not free from anxiety and therefore the defence measures which the proposed taxation is designed to carry into effect deserve the fullest support. The proposed taxation errs on the side of mildness and caution and is much below than was expected as compared with the enormous expenditure on war measures. His Majesty's Government is spending £20 million a day. Let me recall to Honourable Members that when Lord William Birdwood became Commander-in-Chief, the Defence budget amounted to approximately Rs. 82 crores, which later dwindled to Rs. 45 crores. The Defence budget today has not yet attained to those proportions and yet there is such an outcry against the proposed increase. I would suggest and invite the attention of the Finance Member that a duty on cement is worth consideration. It would yield revenue without causing hardship to the poorer classes of the people.

The Defence measures mentioned in the Finance Member's speech call for our whole-hearted support, which are calculated to restore public confidence. The total strength of our armed forces is well over half a million men of all arms and further expansion is proceeding. Provision has been made for new armoured and mechanized cavalry regiments ; new Indian field artillery regiments, regular infantry battalions, engineer units, more M. T. sections and all the highly trained and specialized troops required for modern warfare. All these arrangements are essential for the defence of the country and

[Sir Hissamuddin Bahadur.]

the defeat of Germany. The training of the Indian Army has been admirably efficient. This has been amply proved beyond question by the part which they have played in the recent great victories where they overcame a well armed and numerically far stronger enemy at a surprisingly small cost to themselves. It is to be noted with satisfaction that His Majesty's Government have recently agreed to a standing arrangement under which India will receive a substantial fixed proportion of the output of equipment of the United Kingdom. The scheme for manufacturing aeroplanes in India has reached a satisfactory stage and there is now little doubt that the year 1941 will witness the appearance of the first aeroplane produced in India. Under the arrangements with His Majesty's Government we shall be able henceforward to purchase vehicles, machine tools and other essential requirements in the United States and Canada.

Sir, in the midst of these magnificent war efforts of the people and the Government of India and the Indian States the *satyagrah* movement of the Congress has been a most unfortunate development. This movement is not affecting the war effort. The recruits are pouring in from British India and Indian States and all possible help is forthcoming. I am personally aware of the great service Bhopal and its Ruler are rendering at the present juncture. The Ruler of Bhopal is at present in the Middle East, touring in the war zone. The money is freely and voluntarily being contributed for the prosecution of the war. The Defence Bonds met with a ready and increasingly popular reception and on the 25th January subscriptions totalled nearly Rs. 45 crores. The danger to India is real and imminent. Let us win the war and leave politics alone for the present. There will be time enough for that when peace reigns in the world again. In the N.-W. F. P. the policy pursued by His Excellency Sir George Cunningham, the Governor, has been fruitful of excellent results. Recruitment is proceeding apace and other war efforts are being successfully made. Particularly noteworthy is the spontaneous contribution of Rs. 10,000 made by the tribal territory Afridis towards the Allied cause.

Thanks to the stupendous and united efforts of the British Commonwealth which includes India, the tide of war has definitely turned. Hitler must be a greatly worried man today. The glorious victories in North Africa and wonderful achievements of the Greeks in Albania have upset his calculations. Incidentally I would suggest that the congratulations of this House should be conveyed to General Wavell and the British and Indian Armies. The end will be in sight before long though not cheap. We have luckily got in our Commander-in-Chief a soldier of outstanding eminence who has actual experience of the present war and all its horrors, and knows India intimately. Give him the fullest co-operation and back up the Finance Bill which will provide the sinews of war as a contribution from India towards the final overthrow of Nazi and Fascist dictatorships. I am sure Turkey will appreciate the situation and will play the role of neutrality and friendliness with Britain who has always kept Turkey's interests at heart.

I might mention that my son Captain Ahmed Jan and my cousin's son and several other family members are overseas and I am receiving news from them that the Indian troops are quite cheerful and happy and are being well looked after and doing very well.

With the above observations, Sir, I support the Bill.

THE HONOURABLE SIR MUHAMMAD YAKUB (Nominated Non-Official) :  
Mr. President, the discussion on the Finance Bill provides a legitimate oppor-

tunity for wholesome discussion on current topics. As regards the financial side of the Bill, it is clear that it deals with abnormal conditions, and taking into account the huge expenditure which the war entails, the Budget could not be subjected to that criticism which under normal circumstances would have been quite justified. It is true that financial considerations should in no way hamper our war preparations but it is also natural that in the widespread field of expenditure there are more chances for extravagance and leakage and, therefore, the Finance Member's assurance in the other House that "the question of preventing wasteful consumption on non-essential objects was one to be carefully watched in this country" must be received with great satisfaction. I am not competent to deal with highly technical and controversial financial propositions but as a layman I can say that a duty on Indian made cigarettes would be a better alternative to a duty on matches. Although the tax on match boxes was, to a great extent, a smoker's tax, it also affected the poorest and the humblest of the masses, while the tax on Indian-made cigarettes would be solely a smoker's tax which is approved of by the Finance Member himself. •

Passing on to the general side of the discussion, I would first of all express my feelings of satisfaction and pride on the brilliant achievement of the Indian Army in the Middle East. Our soldiers have not only preserved and maintained but they have also enhanced the honour and reputation of this country by their unrivalled deeds of bravery and heroism. The vivid picture of the part played by the Indian troops in the Eastern theatre as told by Major Hollaway, who served with an Indian formation, shows that our gallant soldiers had given an account of themselves of which their countrymen might well be proud. They learnt with alacrity the use of new weapons and adapted themselves quickly to strange conditions and overwhelmed the enemy after a hard and bitter fight. They fought in company with crack Imperial troops and won their unstinted admiration. They have also exploded the empty war slogans of the Congress and have shown to the world that India is whole-heartedly supporting Britain in this war, which is as much our own affair as it is England's task. Certainly, generally speaking, Indians fully realize the gravity of the situation and they know full well that England's defeat would mean India's destruction. Therefore in spite of the malicious propaganda and mischievous activities on the part of the Congress, India has made up her mind to throw all her weight on the side of England in the prosecution of the war.

Mr. President, a good deal has been said recently about what is commonly called the political deadlock. I am emphatically of opinion that no deadlock exists in our country. The administration in the provinces vacated by the Congress is today more efficient and more satisfactory in every way than it was during the short-lived Congress regime. The people in those provinces now enjoy greater peace and tranquillity and receive more impartial justice than during the Congress regime. The number and extent of communal riots is very much less than it was during the Congress domination, and nearly in all the provinces now under the direct administration of Governors the financial position has very much improved. In fact Congress resignations have proved to be a great blessing to the country. Otherwise by this time the administrative machinery would have been greatly dislocated and there would have been chaos in all the Congress-governed provinces on account of which India would not have been able to render one-hundredth of the help which she is rendering today in the prosecution of the war. Some people think the Congress resignations were the outcome of the gentlemen's pact to which reference was once made by Mr. Gandhi. Any effort therefore to reinstate the Congress regime

[Sir Muhammad Yakub.]

in the country means an effort to create a deadlock and an internal revolution in the country. I do not however doubt the good intentions of the Hindu leaders who recently convened a conference at Bombay to discuss the political situation in the country. Their desire to increase the volume of India's help in the prosecution of the war is admirable, but we must dispassionately analyse the result of their proposal. Their proposal to place their mature services at the disposal of the Government at this juncture is nothing but patriotic. However I cannot see how they can make a better alternative or a more efficient substitute for the present Cabinet of the Viceroy. On the other hand a dislocation of work which is bound to follow the dissolution of the Viceroy's Executive Council seems to be full of danger and means a slackening in our war efforts. As regards the restoration of Congress Governments I am positive that their association with the war measures and activities is bound to jeopardize the arrangements and the programmes which are now in full swing. I am however fully in favour of establishing a War Advisory Board representing willing and reliable representatives of both British India and Indian States. An association of such persons will no doubt inspire zeal and strengthen and supplement Government's war measure. The Indian States have proved to be a great source of strength to the British Government and the biggest and the most important of the Indian Princes, namely, His Exalted Highness the Nizam of Hyderabad and Berar, has made very generous donations towards war funds. His dominions are full of war activities and the faithful ally of the British Government is fully prepared to render the same valuable services which were rendered by his distinguished predecessor the great Asif Jah the Second. It would indeed be a great help to the Government if such loyal and distinguished services are appreciated and more opportunities are made available to increase and widen the directions of their support. The Indian Princes have proved to be the backbone of the British Government since the first days of British rule in India. It was the Asif Jah whose timely help and active assistance to the British against the French established British rule in India. Again during the troublesome days of the Indian Mutiny of 1857 Indian Princes, and notably the Government of Hyderabad, supported the British cause. During the last great war Indian Princes rendered invaluable help both in men and money, and since the beginning of this disastrous conflagration the Indian Princes have thrown themselves heart and soul into helping the British Government. In Hyderabad there are great possibilities of industrial development and the establishment of an arms and munitions factory at some suitable place in the dominions of His Exalted Highness ought to be seriously considered. Aurungabad would also provide a very suitable base for an aerodrome and aeroplane factory and the Ellora and Ajanta caves are in my opinion the best and safest shelters against air attacks in India. If Indian States are given full opportunity and more latitude to equip themselves with mechanized arms the defence of India would be placed on a very strong and sound basis. It is however to be noted, Mr. President, that after the last great war the services of Indian Princes were not appreciated according to their heart's desire and under the pressure of political agitators, who have never come to the rescue of Government at any time of danger, a western type of federation, quite uncongenial to the Indian soil was to be forced on unwilling Indian Rulers. The scarecrow of Federation has now been removed with the commencement of the war, much to the relief of Indian Princes who are now supporting the Government with a light heart. It is to be hoped that after the war is ended, in the victory of Britain, the services and devotion of Indian Princes will not be forgotten and their sovereignty and ruling powers will not be sacrificed in order to satisfy the irreconcilable political agitators.

Mr. President the statement of the leader of the All-India Muslim League in the Assembly to the effect that they were prepared to postpone the question of Pakistan during the war period and that they were prepared to help the Government within the frame of the present constitution if they were given substantial power in the Government of India must be viewed with satisfaction, and let us hope that the Congress and the Hindu Mahasabha will also change their irreconcilable attitude and unreasonable demands. However important the question of the future constitution for India may be, it must perforce be suspended during these most critical times. Let us first strain all our nerves and stake all our resources for the safety and defence of India ; it is futile to think of constitutions when our very existence is in danger. As His Excellency the Viceroy has rightly said, after the war is over the present constitution will be put into the melting pot and all the proposals and schemes produced by different parties will receive due consideration.

Mr. President, His Excellency the Commander-in-Chief, who during his short term of office has created a different atmosphere in the military outlook of the country, made an important and very far-reaching announcement in this House when he said that recruitment to the army will be made only on grounds of efficiency and not on grounds of race and colour. The real test of the valour and capacity of a soldier and a military officer can only be made on the battlefield and I am sure that the present war will provide sufficient experience of the fighting capacity of different clans and communities. His Excellency is fully aware of the fact that military family traditions passing from father to son and from generation to generation have been of the greatest value in building the efficiency of the British Army, and what is true of England is true of India with greater strength. I am sure that the wild cry of our political agitators will not influence the Commander-in-Chief to lower the efficiency of the Indian Army and I am confident that an experienced soldier like General Sir Claude Auchinleck will not paralyse the sword arm of India under any circumstances.

Mr. President, the chief benefit which India is drawing from the present war is the expansion of our industries. The Eastern Group Supply Conference, with which the Roger Commission was associated, has resulted in the establishment of a Council in New Delhi. This is an important development of far-reaching consequences and the benefits which India will derive from the development of her industrial resources will be a source of permanent and most needed benefit to our country, and I hope that the opportunities offered by strategical and geographical advantages of our country will be fully utilized by Indian industrialists. It is an achievement which would not have been offered to India had it not been for the present world wide war. The credit of this great achievement goes entirely to His Excellency Lord Linlithgow, for it was on his initiative that the Conference was held in India and the Council was installed in our country. To India's first War Supply Member, the Honourable Sir Muhammad Zafrulla Khan goes the credit of giving practical shape and bringing into working order this momentous undertaking. And the great ability and energy with which he is discharging his duties deserve our great admiration. He has proved that in every field of activity Indians can rub shoulders with the greatest statesmen of the world.

Mr. President, before I conclude my remarks I would again appeal to all sections in this House, as well as to all the nations and communities in India, to close their ranks and forget their domestic troubles and communal differences for the present. Let us all unite and concentrate all our energy and attention to one and one object alone, namely, the successful prosecution and glorious termination of the present war.

[ Sir Muhammad Yakub ]

With these observations, Mr. President, I support the Motion before the House.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN (United Provinces West : Muhammadan) : Mr. President, the Finance Bill has to be considered in the light of circumstances and the situation which exists not only in this country but in the world. One might have criticized legitimately and reasonably the income and expenditure as shown in the Budget in normal times, but considering the most extraordinary situation created by the war, upon which depends the life and death of big nations, India which is certainly today a part and parcel of one of the belligerent Empire has to consider its own resources, income and expenditure, in the light of these events. Speaking on the Finance Bill as a whole, I congratulate the Honourable the Finance Member on the production of this year's Budget. Consideration of the Budget and the Finance Bill by the Houses of the Legislature gives an opportunity to various groups for presenting their grievances, condemnation and appreciation both, of certain matters in departments which are included in the Budget and the criticism of the Finance Bill in one aspect or the other does not necessarily mean that it is condemnation of the Budget or Finance Bill as a whole. I must say that I have tons of grievances against the Railway Department, very serious and sincere objection to hundreds of things, but I cannot grudge congratulations to them on providing so much money to central revenues which has been very helpful to the Finance Member in framing this Budget. Criticism and ventilation of grievances against Railways is out of place here. But I must say one word and that word is a word of warning to the Railway Department, that we the Mussalmans are thoroughly dissatisfied with the administration of the Railway Department and we have demonstrated in a very very meek and humble way our protest in the Assembly as well as here, but if the grievances are not redressed and regard is not paid to our feeling by the Department we shall have to think out more effective way of protesting and asserting our demands. So far as this Bill is concerned, it has been said that the expenditure is nearly 80 per cent. for war purposes. I just visualize what is happening in Europe and other theatres of war. We, sitting in this cool room, protected from all the air attacks, might well criticize it. What is after all Rs. 80 crores ? It is hardly a few days expense of the war. I do not grudge anything which is spent for war purposes, but spent economically, reasonably and justly.

Sir, as most of the expenditure from our income is going towards the war purposes, I have a word or two to say about the military. It is very fortunate at the present juncture that we have a Commander-in-Chief of experience in India. He has already shown signs of popularity, statesmanship and foresight. Most of the military men do not bother their heads about public opinion. Many of them are not even in touch with it and do not want to get in touch. But I have noticed that in such a short time he has given India the impression that he values public opinion. (Hear, hear.) He wants to remain in touch with public opinion and he is going to treat it with respect. That is very fortunate. And therefore I feel encouraged to point out one or two things for his consideration. The question of the Indianization of the Army has been a burning question in India for many years past. It is true that today it is the need of the war which is attracting Indians and also attracting invitation from the British people to Indians to come and join in fight. But it should be borne in mind that after the termination of the war the Indian Army is going to be Indianized, and that the officers who are now recruited temporarily would

be kept under observation for employing them permanently in the Indian Army, which will be real Indian Army after the war.

There is another thing I would like to point out. It has been said on the floor of this House and almost everywhere and many a time that the difference between martial and non-martial races should be done away with. It is not really a very acute question at present. What is really acute is the question of the other class which has sprung up, namely, the non-violent people in this country. (Laughter.) Now think of the enormous number which at least Congress claim to represent as members of that institution. They include a good many martial races also. But what about their creed of non-violence? Are they worthy even of looking at in connection with service during the war? The answer is "No." It is their creed, it is their pledge, it is their faith, that they will remain non-violent: which makes them unfit and therefore I would ask all those gentlemen who are advocating the abolition of the difference between martial and non-martial first to go to Congress, beg on their knees, and even do *satyagraha* if they have to, that it should give up this faith of non-violence. Otherwise it will be very difficult for the Commander-in-Chief or for that matter for anyone who is in charge of the Army here, to decide which one to take or not to take. I say that anyone who belongs to Congress, or has sympathy with the Congress, whether he is a Hindu, Mussalman, or Christian, is absolutely out of the picture of the Army. Otherwise Mr. Gandhi should be persuaded to give up his principle of non-violence. These days are not the days for that sort of thing. I am quite prepared to accept that these are the days of science, and there are certain classes of services, for instance, medical men, scientific men, people who are non-martial, who could do very well. In this war there are many scientific people or people who may be able to render very good service. But one thing is certain. They cannot be non-violent and also get into the army. I would therefore request His Excellency the Commander-in-Chief for the present not to consider the question of martial and non-martial. The only question he should consider at present is the question of who are committed and who are not committed to the principle of non-violence, and he will find that Congress is committed to non-violence, with its considerable numbers. I am quite prepared to admit that we have the Muslim League and other people like the Sikhs and the Gurkhas. But their number is comparatively much smaller to the population of India. The only thing which should be taken into consideration today is who are useful for service in connection with the war.

The next thing which I want to point out and which I came to know from the answer given by the Government to the question put by the Honourable Mr. Hossain Imam is the number of the Muslims in Ordnance factories. I notice that the number is very very small, and I hope that His Excellency the Commander-in-Chief will see whether it is advisable and proper to bring that number at least to the ratio and proportion fixed.

There is another thing to which I would draw his attention, and that is that whatever people there are in the Army, martial or non-martial, scientific or anything, the officer rank should necessarily reflect the proportion of the people who are in the Army in particular units and regiments: because it is quite obvious that discipline and confidence are things which are so essential in the Army. If there are officers commanding certain units and if the soldiers and sepoys have confidence in their officers according to military discipline, coupled with confidence, that will be a hundred times better than having officers in which the soldiers and sepoys have half confidence. That is so far as the Defence Department is concerned. There is the question of

[ Haji Syed Muhammad Husain ]

supply. That has to be considered, and I would request the authorities responsible that all the supplies needed for the war must be purchased in India and an effort should be made to promote their manufacture in India so that the money should remain as much as possible in India.

Now referring to the political deadlock, it is certainly one of the most important questions of the day. It is true that Government are not worried by the deadlock. My Honourable friend Sir Muhammad Yakub said that in his opinion it is no deadlock. I say that is not right. The deadlock is a deadlock, whether you disregard it or not. Today it is most unfortunate. At present the British want the goodwill of even those nations and people who are not part and parcel of their Commonwealth, or who have been enemies in the past. I am sure the British would want much more the goodwill of those people who are part and parcel of their Commonwealth and are doing their best. It is true that recruits are pouring in, money is coming and everything else which is required for the war is coming from India. The Indian Princes have placed everything at the disposal of the British Government. They have their grievances ; they have certain demands. Would it be right for the British people to take everything which is presented to them and disregard everything that is demanded of them and which they can very easily and reasonably give ? The removal of this deadlock would certainly bring in the goodwill and whole-hearted support of the people. Much of the co-operation now may be on account of economic necessity. Many of the things may be on account of personal ambitions of the people who are engaged in trade. But that will bring in the solid goodwill of the country. It is true that the Congress has taken up an attitude which is very unfortunate and very inconsistent, and unreasonable. The very hopelessness of the attitude taken by the Congress, who, while sympathising with the aims of the British in destroying the Nazism, while agreeing to say prayers and to advocate prayers for the victory of the British people, yet say that they are going to shout and ask people not to join the Army or not to co-operate in any war effort, is very difficult for any one to understand, who has a head on his shoulder or commonsense in his head. Therefore, the attitude taken by the Congress may be altogether ignored, because, the goodwill of the Congress, on account of their attitude, is not required at all. The world has understood that the Congress is doing something which no reasonable man can accept. There is, therefore, the question of the non-Congress people. There again, I utter a word of warning to the Government. If Government persist in their attitude, and their weak policy of appeasing the Congress at the cost of those who are willing to co-operate with them, this should not continue for long, because, if continued, the British Government will find that even their friends will desert them because they will know that they are disregarded and no notice is taken of them. Therefore, I would ask the British people to rise to the occasion and give up this weak policy of appeasing the Congress, particularly at this juncture when the demands of the Congress are hopelessly unreasonable and cannot be supported, and to trust to the people who are ready to co-operate with them willingly, without any force, and with sincerity, and to place their confidence in them. If this is not done for long, my fears are that the goodwill of friends will also be lost. I was looking forward to the Conference at Bombay. I thought that these great gentlemen, before many of whom I bow for their capacity, political foresight, integrity and other great things, would do something in this Conference which will ease the position, and if nothing else, that they will act as mediators between some two groups. But they have done nothing of the kind. It is most unfortunate that they have contented themselves with a pious declaration. The



difficulty is that they do not understand that though they are men of integrity and all that, they have no following. No one will listen to any group of person or party which is without a following. If they had mediated between the Congress and the Muslim League or the Government and the rest they would have done much service than merely by, what is called in the Persian proverb "Nashistand, guftanand-o barkhastand", that is, "they sat down, talked and left at that". The time is not lost so far as the Muslim League is concerned. Both His Excellency the Viceroy and the Muslim League have said that the doors are open, but it would seem that for the present, they have closed the door themselves. Although they say the door is open, they treat it as closed. There is a very strong class of non-Congress men and other Hindus who are prepared to co-operate. Why should not the British Government do, as Mr. Amery said, that even if the Congress is out of the picture they will proceed with the expansion of the Executive Council and share the responsibility with other non-officials? "Why not do that and avoid the charge that the British Government know only how to take and not to give? In this House, on one side, Pakistan was referred to, and on the other side, the postponement of Pakistan was referred to by the Honourable Sir Muhammad Yakub. I do not want to say anything about it at present. It is sufficient to say for the moment that my brother Hindus have refused by word, deed and action to treat India as the joint family property of two brothers with advantages and disadvantages. The only thing left to the other brother is partition of the family property, and that is the decision of the Muslims which they will support with everything in their power. The result is in the hands of God. I invite my Hindu brethren to still consider which is proper for India—a joint family property or a partition—and it is for them to decide.

Now, Sir, passing on to expenditure on other matters than war, I want to refer to just one thing, and it is this. I would remind the House of my Resolution of last year in which I asked that two-thirds of the Judges of Indian High Courts should be Indians, and a promise was given from the Government side that they would see that progress was continued in that respect. We are still waiting to see this promise fulfilled and continued. Not only that, but we would like also that the Chief Justices should be Indian wherever possible.

It is true that the Muslim League in the other House voted against this Bill. But that does not mean that it disapproves the Bill on the merits. Its vote may be due to many other things. It may be an exhibition of feeling; it may be a method of demonstrating that our Party being otherwise dissatisfied has decided to take a certain course in that connection; and by that every Member of the Party is bound.

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF:** Sir, in the course of this debate some questions have arisen in connection with the Defence forces, and particularly in connection with the organization of the Army, on which I may perhaps be able to throw a certain amount of light. But before I proceed to do that I should like to acknowledge if I may on behalf of the Army the congratulatory remarks made by my Honourable friend Lala Ram Saran Das and other Honourable Members. I am sure the Army will appreciate them very much, and only this morning I had another telegram from General Wavell in which he referred in glowing terms to the part played by Indian troops in the capture of that very important town of Keren. (Applause.)

Sir, the Honourable Mr. Muhammad Husain was good enough to say that I had expressed my desire to receive advice and to keep in touch with public opinion. That is quite true. That is my desire, and I am receiving it. In

[H. E. the Commander-in-Chief.]

fact I am receiving it so fast that it has become a little difficult. I find myself in the position of a patient attended by a multitude of doctors. Each one of those doctors wants to rearrange some part of my anatomy and many of them want to cut off a good deal of it. However, I dare say I shall pull through and eventually be able to take advantage of much of their very excellent advice. That is what I am trying to do at present, but I think you will agree that a good deal of it is very conflicting. You have heard some of it today. However that is my duty and I will proceed I hope to absorb all that is valuable in the advice that is given to me.

Sir, the first point I would like to speak about is the question of differentiation or favouritism as between the British and Indian officer. It has been hinted at or mentioned more than once in the course of this debate. Well, I can truthfully say there is none. I have said it before and I say it again. Efficiency and suitability are the only tests, whether the officer is a British officer or an Indian officer ; and so far as in me lies that will continue to be the case.

There are certain special appointments to some of which reference was made, and these special appointments are generally really of a non-military character, but the grant of military rank to the incumbents of those appointments is sometimes desirable. It may be strange that this is so, but it is a fact that if a civilian is dealing with soldiers it sometimes helps to put him into uniform. It should not be so but it is. But the grant of rank to such an officer—and it is the point I want to make—does not retard the promotion of any other officer. These are special appointments filled by specially selected individuals. The grant of Lieutenant-Colonel's rank, say, to an officer detailed to deal with a special subject, not a military subject, does not mean that anybody else is kept back from being a Lieutenant-Colonel.

Then several Honourable Members referred to composition and the organization of the post-war Army, of the Indian Army after this war has been won. Well, it is quite impossible for me or for anybody else I think—at least I have not met anybody who could give me the answer—to say what the Indian Army will be like after the war. Some Honourable Members have expressed a fear that perhaps the Indian officers will again be made to become platoon commanders, instead of being company commanders as they are now. Personally I think that it would be most unlikely, but I can give no guarantee. Who is likely to be able to say what the position of the post-war Army will be, either of the British Army or the Indian Army or any other Army. But in passing I would like to state again that in this so-called platooning there is nothing derogatory at all. The introduction of Indian officers into the pre-war Indian Army as platoon commanders was merely an attempt to bring the new Indian Army on to the same level and the same basis as the existing British Army, in which there have always been officers as platoon commanders and in which there are officers as platoon commanders today. There is nothing derogatory in it. The difficulty arose because of the fact that in the Indianized regiments officers were doing platoon commander's work whereas in the non-Indianized regiments the Viceroy's commissioned officers were doing the platoon commander's job. However that is only in passing.

The question of the supply of Indian officers was mentioned. As I have said before quite recently, this question is constantly under my personal consideration and at the present moment various means are being worked out which I hope will improve not only the system of obtaining these officers

but the system of training these officers when we have obtained them, and I trust these means will lead to our getting an even better class of officers than we are getting now, and more of them. I hope that some of these measures will be introduced quite shortly.

Another point I would like to make quite clear is that inefficiency or unsuitability in British officers is no more tolerated than it would be in Indian officers. There is no difference made in this respect whatsoever. If a British officer is inefficient I have not the slightest hesitation in having him removed. The same applies to an Indian officer. There is no difference. The selection of emergency commission British officers is just as careful as the selection of Indian emergency commission officers. The system of selection may be different but the standard is the same.

The next point that I should like to touch on is the question of the employment of Indians in the Ordnance factories and in the Indian Army Ordnance Corps. This question is always arising and I think for a very good reason, because there are very few Indians employed in these factories. That is a fact ; but it is also a fact that in the Ordnance Factories we have said that we will accept up to 100 per cent. of Indians in the higher grades as officials if we can get them. It is also a fact that so far we have not been able to get them. They apparently do not exist with the necessary qualifications and during the war one cannot appoint unqualified people to such important posts. As regards the Indian Army Ordnance Corps, the matter is different. The Indian Army Ordnance Corps is, in the same way as the Royal Army Ordnance Corps, recruited from officers who have already joined the army. That is to say, they join cavalry, infantry or artillery units first of all and from these units they are transferred to the Ordnance Corps. Here again before the war we were taking, or were prepared to admit, into the Indian Army Ordnance Corps 30 per cent. of Indians if we could get them, but the candidates coming forward now and in the last two or three years have not filled those vacancies ; they will in the future I am sure as we get more and more Indian officers in the Indian Army. Up to date they have not been coming forward in sufficient numbers to fill even 30 per cent. of the vacancies. There is no attempt to prevent Indians being appointed to either the Ordnance Factories or to the Indian Army Ordnance Corps provided they have the necessary qualifications. The University Training Corps were mentioned again more than once. Well, I think I have already given the House an assurance that this matter is also receiving my personal and constant consideration and ways and means are being worked out for the improvement of these corps so as to make them more useful as officer-producing units. That is my intention. During my recent tour last week in Southern India I took the opportunity of meeting as many as I could of the University officials and certain of the officers of these corps, such as were available, and I took their advice and opinion. That advice and opinion will be very valuable indeed. (Applause.)

As regards the broadening of the basis of recruitment, that is to say enlistment of classes not hitherto enlisted in the Army, that too is proceeding steadily and will go on proceeding steadily. But here again I think I have warned the House before that we cannot expect spectacular results. These things cannot be done all in a minute. I would like to take this opportunity of assuring the House—the matter was mentioned just now—that any such broadening of the basis of recruitment will not be allowed to affect efficiency.

Then I come to the question of the association of the Legislature with the Defence Department concerning which I gave an assurance in this House

[H. E. the Commander-in-Chief.]

one month ago. I am sorry if my Honourable friend Dr. Kunzru gained the impression from the Defence Secretary's remarks in another place that the Defence Secretary and I were at variance on this point. We are not. We hold the same opinions and we are working for the same ends. There is no difference of opinion between us and there will not be any difference of opinion between us and I do not think the Defence Secretary's remarks really can be construed to mean in any way that what I said in this House would not be carried out to the best of my ability. I stand by what I said and ways and means of implementing what I said are now being actively investigated and I hope before long we may see some results. Here again Honourable Members will, I am sure, realize that a matter of this kind cannot be settled in a moment. That is all I have to say, Sir. (Applause.)

**THE HONOURABLE MR. SHANTIDAS ASKURAN** (Bombay : Non-Muhammadian) : Sir, in speaking on the Budget at the general discussion stage, I had ventured to make a number of suggestions for the serious consideration of His Excellency the Commander-in-Chief and the Honourable the Finance Member. I have no desire to weary the House by covering the same ground again. But I would like, Sir, to mention some of the main suggestions in the briefest of language in the hope that we shall get definite and satisfactory replies from the Government at the end of this debate.

Sir, so far as the field of Defence is concerned, I had suggested that, in the first place, His Excellency the Commander-in-Chief should set up a Committee of Members of both Houses of the Legislature to scrutinize all Defence expenditure. Secondly, I had urged the establishment of a War Advisory Council commanding the confidence of the Princes and the people of India to co-operate with His Excellency and the Defence Department in all measures which have a direct or even an indirect bearing on the prosecution of the war. My third suggestion was that the work of the Army Indianization Committee, which was suspended soon after the commencement of the war, should be revived at the earliest possible date.

Coming to the field of finance, Sir, I had urged the Honourable the Finance Member to imitate the example of the British Government and to set aside half the proceeds of the excess profits tax as a reserve fund to assist various industries now in the course of expansion to change over to peace conditions at the end of the war. In this connection, Sir, I would like to point out that since I made that observation, there has been an announcement of the appointment of Sir Charles Innes, a former Commerce Member of the Government of India, to start an immediate investigation into British industries with that end in view. I earnestly hope, Sir, that before this session concludes, there may be a similar decision taken by the Government of India in regard to Indian industries.

My next suggestion was that there should be a thorough-going review of our fiscal policy inaugurated under the very different conditions which were prevailing in 1923. There have been weighty criticisms that the conditions prescribed for granting discriminating protection to an industry are too stringent and out of date in the circumstances of today.

I will not refer, Sir, to the other suggestions which I had made in my budget speech. But with regard to the excess profits duty, I would like to repeat the point made in the other House that some effort should be made to distinguish between profits arising directly out of the war and profits accruing from natural causes. I know, Sir, that the Honourable the Finance

Member, in dealing with this point, said that there would be a practical difficulty in making such a distinction. If the difficulty, Sir, be only of ascertaining which are war profits and which are normal profits, there is at least implicit in that statement an admission that taking advantage of the war, the Finance Member is levying the duty which sometimes must inevitably fall in part on natural profits. I put it to the Honourable the Finance Member that if the inability of his Department to make such a distinction in practice is the only obstacle in the way, it is open to him to lay down that if a party can make out a satisfactory case to the effect that a portion of his profits is due to causes unconnected with the war, that portion at any rate shall be exempt from the excess profits duty. I submit, Sir, that this suggestion is practicable and quite consistent with the principles of the excess profits duty.

Before proceeding further, I would like to dispose of a few other points. Sir, as a result of numerous representations by commercial bodies in this country the Government of India had agreed some months ago to keep war insurance rates at half an anna. It is surprising, to say the least, that the rate should have been enhanced to one anna, and thus increased the already heavy burden pressing upon Indian industries in war time.

I am glad, Sir, that the Honourable the Finance Member in his reply to the debate on the second reading stage of the Finance Bill in the other House agreed to consider the suggestion made to prevent the extra duty on matches from pressing unfairly and too heavily on the poor consumer. I hope that practical steps will be taken without delay to give effect to this assurance.

I submit, Sir, that the debates in both Houses have shown that an unanswerable case has been made out for the removal of extra duty on art silk industry. I, therefore, plead with all the earnestness at my command that he should take immediate steps to safeguard the art silk industry, power and handloom, from the adverse effects of the extra duty.

Sir, before I conclude, I should like to make a brief reference to the general situation in this country. There has lately been held in Bombay a representative conference consisting of leading men of experience and knowledge both in the political field and in industry and commerce. This Conference, under the distinguished Chairmanship of Sir Tej Bahadur Sapru, one of the most far-seeing statesmen of his generation, adopted unanimously a resolution suggesting the reconstruction of the Central Executive Council, so that India may put forth her maximum effort for the prosecution of the war. Sir, the differences between the Congress and the Muslim League are a matter of common knowledge and regret. It is a tragedy that when the fate of countries and of civilization itself is in the balance, there should be these internal differences between two largest political parties in the countries. Sir, it is not the self-government of India alone that is at stake. What is at stake is the right of nations to exist and to develop their own culture and civilization.

Sir, as a businessman it is not for me to analyze the terms of the resolution of the Bombay Conference. That I must leave to my political friends in this House and outside. But I do think that when a resolution is adopted with the authority of men like Sir Tej Bahadur Sapru, Sir N. N. Sircar, Sir Jagdish Prasad and the other distinguished individuals who took part in the Conference, the British Government and His Excellency the Viceroy should take serious note of the proposals and see whether the differences between the offer made by His Excellency in August and the resolution passed in Bombay cannot be bridged over by friendly discussions. I think, Sir, I am voicing the opinion of a vast number of people whatever may be their political views, in urging that His Excellency and Sir Tej Bahadur Sapru should come together

[Mr. Shantidas Askuran.]

as soon as possible for friendly discussions with a view to reaching a settlement. Even if a final settlement is not reached at once, I have no doubt in my mind that if a clear indication of the intentions of His Majesty's Government regarding their Indian policy is made, the Congress and the Muslim League may be induced, sooner or later, to come together in a spirit of constructive statesmanship. Nothing will enhance the morale of Britain and her Allies, at this juncture, than the knowledge that India's dignity and honour having been satisfied, she is unreservedly throwing all her resources into the common cause.

With these remarks, Sir, I close my speech.

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

The Council reassembled after Lunch at a Quarter to Three of the Clock, the Honourable the Chairman (the Honourable Sir David Devadoss) in the Chair.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan): Mr. Chairman, I think I would be right in saying that whatever be the controversies connected with the merits of the proposals embodied in the Finance Bill—and I am prepared to say that I am in agreement, so far as the merits are concerned, with the Finance Bill; I have no criticism to offer so far as the merits are concerned; I think that a little taxation does not do us any harm and I would like the present policy of financing war expenditure by taxation and borrowing to be continued)—and however much we may resent and bitterly criticize the attitude of Government towards the political aspirations of India, we are all agreed in this, that India's safety, India's interests, India's future, require that democracy should triumph over the forces of Nazism and Fascism and that the war should end in the establishment of a world order which would enable all countries, big or small, to live a free, peaceful and harmonious existence. That the international situation is full of peril not only for Britain but also for the dark and brown races who, whether willingly or unwillingly, find themselves tied to Britain, cannot be denied by any reflecting, any thinking, any patriotic man. We, on this side of the House, have never minimized the gravity of the international situation and the need in view of that situation to reorganize and strengthen our defences to the utmost of our limited capacity. I do not wonder, therefore, at the enormous increase in the Defence Budget which is the largest that this House has ever been called upon to consider. I do not wonder that it has reached the colossal figure of Rs. 84 crores and that it can be met only by increasing the burden on the taxpayer. What I have wondered at is that this heavy and increasing war expenditure has not made Government realize the imperative need for a national policy and stricter popular control in all matters pertaining to India's war effort and India's defence. People who are being asked to make heavy sacrifices, who are being asked to identify themselves completely and whole-heartedly with the just cause for which Britain is fighting valiantly, have surely the right to expect that they shall have a controlling voice in the formulation and execution of war policies, and it never seems to have occurred to this unimaginative Government, entirely cut off, as it is, from the main springs of national life and thought, that people who are vitally interested in the future of this country—more vitally interested in the country than temporary sojourners who emerge out of their obscurity

in their retirement to clamour for more privileges for themselves whenever there is any question of constitutional advance—can have a legitimate grievance against a Government which has neither trusted them nor endeavoured in the past to develop their economic and industrial resources. For, if the blunt truth is to be told, it is this. Britain has relied for her war effort in this country, not upon appeals to the hearts and imagination of the people, not upon creating spontaneous enthusiasm by appealing to their idealism, to their finer and nobler instincts, but upon exploiting their fear complex, their instinct for self-preservation, their dread of the unknown future. That, surely, Sir, is a weak reed to rely upon for, if you desire a man or a nation to make the maximum effort which a total war such as we are witnessing necessitates, you must place before him or it a noble ideal, a worthy ideal, an ideal which takes you out of your self and which enables you to identify yourself with the social self. We see in individual life how disastrous the results of associating morality with fear can be. For we see that if we associate an idea with fear and the fear breaks down the psychological reactions are disastrous. What is true of individual life is also true of national life. The fear complex only works upon a man or a nation up to a certain point and it is this basic fact which British statesmen who are responsible for the formulation of policies in regard to India have failed so far to understand. For if truth has to be told, they—and the responsibility of the men on the spot is great in this matter, for they have been advisers of His Majesty's Government—they have argued to themselves that popular support does not matter, that people will out of fear of the unknown support them in any case and under all circumstances and that it is safer from a British point of view to keep the direction of effort in the hands of the present Government and not trust people who are not of your own race and blood. I wish to be perfectly frank with the House. I think it is this mentality, it is this complex, it is this distrust which is responsible largely for the political deadlock in this country, which is responsible for the disquieting indifference to the basic issues which, to an idealist like myself, this war raises, to the hostility which is alien to the genius of the Indian race, which finds expression in empty war slogans and to the demand for freedom of expression in regard to war effort at a time when we all ought to be thinking in terms of winning the war. I was therefore sorry to find my esteemed friend the Finance Secretary misrepresenting, no doubt unconsciously, the attitude of those who were, as an indication of their dissatisfaction with Government, voting against the supplementary Finance Bill. For he accused them in the last session of encouraging Hitlerism. Let there be no mistake about our attitude. We detest, we abhor, we loathe Nazism and Fascism. We have never compromised with Fascism and Nazism, we have never connived at the rape of Czechoslovakia and the conquest of Abyssinia; we have never connived at Japanese aggression in China. How can we who are struggling for our freedom, who are yearning for the dawn of a better day for our country, who are dreaming of a world in which weak nations like India shall have assured to them the freedom to express themselves in their own way and make their contribution to the sum total of human thought and endeavour, how can we, I ask, wish for the success of powers who stand for racialism and imperialism in their most ruthless and disgusting form? How can we wish to see our slavery perpetuated, our bondage strengthened, our hopes of ordered freedom frustrated? Here am I, 47 years of age, with a wife and five children, how can I wish to see my country plunged into anarchy, chaos, disorder? We have made it repeatedly clear, I wish to repeat what has been said so often before, that we desire earnestly, sincerely, whole-heartedly to support the war, but the co-operation that you seek must not be extracted out of fear. Co-operation implies equality and I repeat what I have said before that we are prepared to co-operate without any mental reservation, with absolute fidelity to the cause

[Mr. P. N. Saprú.]

which you and we have at heart, if you seek our co-operation on terms consistent with our self-respect, on terms which we as human beings, with human feelings much the same as yours, can regard as just and honourable. It is not we as the Honourable Mr. Jones would say who are encouraging Hitlerism. But it is, however unconsciously, he and the Government of which he is a part who are encouraging Hitlerism. It is he and the Government of which he is a part who have encouraged by ignoring middle opinion, by considering it of no value whatever the development of a situation which I regard as of great danger to the peace and stability of the political, economic and social structure of this country. In my speech on the supplementary budget I criticized at some length the declaration of His Majesty's Government made in regard to both the future and the present. My personal view is that the situation in India would have been vastly different if at the outbreak of the war His Majesty's Government had made a clear, an unequivocal declaration, that India would have dominion status within a definite time after the war, say one or two years, and that in the *interim* period the direction of Indian policy including the war effort would vest in an Indianized Executive Council working as a Cabinet commanding the confidence of the main political elements in the country's life. Mr. Amery's offer to expand the Executive Council in August was a belated one and was not sufficiently explicit on certain points of importance. We were given no indication of the portfolios that would be placed in charge of Indians, of the size of the Council and the strength and composition of the non-official element in the Council. We were not civil servants who could join the Executive Council on any terms. We were representatives of political bodies who could join the Executive Council on certain terms only. But Mr. Amery had made it clear that whether Congress came in or not he would proceed with the expansion of the Council. It was only later when the Muslim League refused to join the Executive Council except on its own terms that he resiled from the position that he had taken up and that he indicated that he was not prepared in the circumstances to proceed with the expansion of the Executive Council. We are entitled to know the reasons for this change of front, for there is a change of front. How is it and why is it that His Majesty's Government have developed so suddenly a love for agreement among political parties and put agreement between political parties as a *sine qua non* of all constitutional progress? The Montagu-Chelmsford Reforms, as was pointed out in the very able speeches of Dr. Kunzru and the Honourable Mr. Mehta were introduced in spite of the opposition of Government. The Government of India Act of 1935 was not passed upon any agreement between the representatives of India and His Majesty's Government, and the federal part of the Act, which despite all its defects and shortcomings, would have brought the two Indians together would have been functioning today if the war had not come in and altered the situation. Britain's obligations are not going to be a matter of agreement between India and England; they are going to be settled by His Majesty's Government. The emphasis

3-5 P.M.

on the representative character of those who join the Executive Council has created a political stalemate and surely His Majesty's Government cannot escape responsibility for this stalemate. We have gone back to the pre-Minto-Morley days—it may be a source of comfort to my friend Sir Muhammad Yakub who has got a comfortable job in Hyderabad—we have gone back to the pre-Minto-Morley days and in six provinces we are being ruled by British Governors and Advisers drawn from official ranks. At the centre we have an antediluvian Government, too wooden and too iron, for the requirements of a changing world. Great and powerful as the Congress and the Muslim



League organizations are, the country is greater than either of these organizations and the so-called political orphans of the Bombay Conference, with whom I find myself in entire, in complete, agreement, represent a body of opinion which, had Government listened to progressive opinion, would have been much stronger than it is today. If moderate opinion is weak today, may I ask whose is the responsibility? What people want is some great step, some definite step, which would show them that Government is in earnest, that Government is sincere, in its desire to lead India on to fullest self-government. People are fed up with promises. They can point to a string of broken promises and they want action; they want something done. You can fool all people for some time, you can fool some people for all time and you cannot fool all people for all time, but you can fool yourself for all time. The critics of the Bombay Conference ignore the psychological effect which a policy of political appeasement will have upon the country as a whole. The Congress reactions—if I may judge by the Congress press—and I know a large number of Congressmen myself—have not been unfavourable and I venture to assert with some confidence that the Congress has been driven into its present policy because of Britain's unsatisfactory response to India's demands. If you completely Indianize the Executive Council, you will show to the people that you are liquidating your Imperialism. That will be the best proof that you can give to the people that you mean business, that you mean to end your Imperialism in India. A completely Indianized Government would, as Sir A. P. Patro rightly said yesterday, not be very different from the national Government demanded by the Congress at Poona. It would help, therefore, not perhaps immediately but in the very near future, I am certain of that, it would help, therefore, to solve the deadlock in the provinces. It would give to India a Government which could speak with authority on behalf of the people of India at the time of the Peace Conference. Sir, I shall consider the argument against expansion and complete Indianization of the Executive Council. That argument was put forward by Sir A. P. Patro and by several other speakers and I shall speak with the restraint which a Member of this House must observe in dealing with delicate questions. The argument against proceeding with expansion is that two political organizations that matter are unwilling to join it and—

THE HONOURABLE MR. HOSSAIN IMAM : We have never stated that, Sir.

THE HONOURABLE MR. P. N. SAPRU : My friend will have a right to speak. We have got limited time today. And that expansion of the Council will not bring added strength to the Government. From the administrative point of view it is said that expansion is not necessary. You do not want to multiply portfolios, and from a political point of view it will help to solve nothing. My answer to that is that if the Council is completely Indianized and collective responsibility in regard to all vital matters recognized, I am in the first place not without hope that the Congress will come in, but assuming that it does not, are we sure that it will persist for any length of time in its refusal to join the Government? For it is of the essence of the Bombay plan that the unattached men appointed to the Council will be at all times only too ready and eager to give place to those who command a larger political following. Just let me draw your attention to what happened in the provinces after the new Act came into force. The Congress was not prepared to accept responsibility unless a certain assurance was given by His Majesty's Government in regard to the manner in which the safeguard shall be employed. The Constitution was not suspended and *interim* Ministers were appointed. When Congress

[Mr. P. N. Sapru.]

decided to come in the *interim* Ministers relinquished office and the deadlock was then ended. Men appointed to the Council would similarly pave the way for a larger settlement. The Congress, after the Council is Indianized and expanded, will have to review the situation. Is it quite certain that Congress attitude will not undergo a modification if Mr. Amery's offer is really liberalized? I do not minimize the importance of an understanding between the Congress and the Muslim League, but I am not prepared to admit that the League any more than the Congress represents all sections of Muslim or Hindu opinion. The League cannot speak on behalf of the Muslims of the North-West Frontier Province; the League cannot speak on behalf of large sections of opinion in Sind.

THE HONOURABLE MR. HOSSAIN IMAM : All by-elections have gone to us.

THE HONOURABLE MR. P. N. SAPRU : There are important organizations which do not accept the League's leadership. Does the Honourable Sir Hissamuddin accept the leadership of the League? Is Sir Muhammad Yakub who is a nominated Member of the Government prepared to accept the leadership of Mr. Jinnah? Will he get his nomination if he accepts the leadership of Mr. Jinnah and is Government prepared to say that he is not a representative man? What then is the use of saying that the League represents the entire Muslim community? No one deplores more than I do the unfortunate differences that divide this land. We, Hindus and Mussalmans, are inheritors of a great civilization, and an ancient culture. The process of assimilation between the Hindus and the Muhammadans had gone far in the pre-British days. I cannot forget as an Indian nationalist that the greatest Indian nationalist of all ages was a Muslim—Akbar. I am prepared to say as a Hindu that Muslim rule as compared with continental rules of that era was far more tolerant. (Hear, hear.) Hindus and Muslims were able to evolve a common culture, a culture of which I am equally proud with my friend the Honourable Mr. Hossain Imam. I do not think of the past, I do not think of the present, I only think of the future. I therefore earnestly desire that it may be given to us to reach a settlement. But I would say that great as our difficulties are, they have been accentuated and intensified for us by His Majesty's Government by unfortunate declarations at inopportune moments. The specific charge against them is that they have encouraged on critical occasions communal intransigence by their declarations. His Majesty's Government say that they are not prepared to coerce large sections of the population into living under a rule that they do not like. May I ask them whether they are prepared to coerce an overwhelming section of the population. If we accept the position that the Congress represents the Hindu community you will be driven into admitting the logic of my argument—are they prepared to coerce an overwhelming section of the population into living under a system of government which they detest? His Majesty's Government say that common agreement is a *sine qua non* of political progress. But they are not prepared to indicate what the size of the Executive Council will be. They are not prepared to indicate the powers that will be given to this Executive Council. They are not prepared to indicate the portfolios that will be entrusted to the Members of this Executive Council. *They are not prepared to say, and I wish to emphasize this, that if Indians come together the Executive Council will be completely Indianized and that Defence and Finance will be transferred to Indian hands.* They are not finally prepared to indicate

in the event of their failure to reach agreement, their decision as to the number of seats that they will be prepared to offer to the various elements in Indian political life. Hypocrisy, and I use that word deliberately, could go no further. Why not face the facts, Sir? Why not face the fact that Britain is not prepared to surrender power in this country: that she wishes to cling to power with all the tenacity of which she is capable? The Honourable Sir A. P. Patro said yesterday that the Bombay Conference had asked for a declaration of independence. It has done nothing of the kind. Nations fight for realities, not for shadows. I realize that the Bombay Conference has asked for Dominion status within a definite period of time. The Bombay Conference leaders know that situated as we are we have to accept the leadership of one race or the other in this world, and the Conference has deliberately chosen to accept the leadership of the British race. It has asked for Dominion status, and not Independence. It is quite true that Dominion status is not virtually different from Independence. From my point of view there is hardly any difference. But it has not asked for a severance of the British connection. The Bombay Conference has asked that you must indicate the time within which you will give Dominion status to India. How and why I ask, is it difficult for you to indicate the time within which you will give Dominion status to India? Is this Dominion status to be a sort of elusive thing for which we are always seeking and which we never will achieve? Big changes and events are taking place in the world. His Majesty's Government were prepared to offer a Franco-British Union at the time that France was collapsing. Anglo-American Union is not outside the realms of practical politics. His Majesty's Government, Sir, can devote time to problems of post-war reconstruction. They have no time to devote to this poor tiny little country called India whose support they can command on any terms they like. Sir, the international situation is full of possibilities. What is wrong from our point of view—you must approach this question from our point of view—in this demand for a clarification of your aims with regard to India? Why should we not want to know what you intend to do with this country during the war and after the war? The Bombay Conference, Sir, has never claimed that it speaks for India. The organizers of the Bombay Conference are a modest body of men. They are not totalitarians like my Honourable friend Mr. Hossain Imam who takes his orders from a dictator. They are all practical men, honest men, sincere men, patriotic men, men with considerable legislative and administrative experience, who have given some thought to the political problem of India. It was presided over by a man of whose ability, integrity, independence and patriotism it would not be proper for me, standing as I do to him in a particular relationship, to speak. (Applause.) One of the foremost leaders was an honoured Member of the Executive Council of which my friend the Leader of the House is an illustrious Member to-day. I mean the respected Sir N. N. Sircar, who commands the confidence of all sections of the Hindu people. It had as its members the dynamic figure of Mr. Savarkar, the respected and venerated Mr. Aney, who can speak for large sections of the Indian people. It was attended by the foremost Indian journalist, Mr. Srinivasan, the editor of a Congress paper. There were some Muslims of eminence also in that Conference—there was Sir Sultan Chinoy, who is a brother of our respected and esteemed friend Sir Rahimtoola Chinoy. Sir, surely these men—Savarkar, Aney, Sircar, Syamaprasad Mookerji—represent a much larger section of the public than is represented by the present occupants of the Treasury Bench. And the significance of that Conference is this. As men who have given earnest thought to the problems of this country, who want the connection between

[ Mr. P. N. Saprú. ]

England and India perpetuated and purified, they have come to the conclusion and I wish to make it clear to the Honourable Sir A. P. Patro, that it is impossible for middle opinion to assert itself and organize itself into an effective body until Government helps that middle opinion by following a policy of conciliation : until Government enables that middle opinion to go before the country and say " You have achieved the substance of freedom, the objective is within sight, do not fight for shadows ; seize the opportunity and do not allow yourself to be fooled by people who will plunge the country into chaos, disorder and anarchy ". I ask my English friends to imagine the position of India and England reversed. Supposing the miracle had occurred, and we were the dominant race in England and that there were deep cleavages between the English peoples, and that we had by our policies accentuated those deep cleavages. Supposing that we were fighting for our freedom and their freedom. Would their moderate men have any chance with their countrymen, who would naturally want freedom for their own men, if they had no constructive achievements to their credit, if they could not show to their people that by the method of constitutional agitation, by the method of negotiation, by the method of discussion, they had been able to achieve racial equality and freedom for their men ? What would have been the attitude of the British people in the event of India's fighting a right cause and getting involved in a war with a mighty power ? Would they not have doubts about their future ? Would they not raise questions about their future at that time ? What is sauce for the goose is also sauce for the gander. If the Moderate Party is weak today, if the Liberal Party is weak today, if the right wing of the Congress is getting weaker, if the extremist elements of the Muslim League are getting stronger today, whose, I ask, is the responsibility ? Who has killed the Moderate Party in this country ? (*An Honourable Member* : The Congress.) Bad political, social and economic conditions have encouraged these movements. We can fight extremism only if Government co-operates with us and if Government makes it clear to people that the voice of moderate men counts and that it is prepared to concede to the country what the country so ardently desires, the freedom to live its own life, unhampered by alien Imperialisms. May I ask the Treasury Benches to reflect over this situation also ? Do the Congress and the Muslim League exhaust the whole country ? If Government's interpretation of the Congress attitude is correct, the painful conclusion is that India is not behind England in her war effort, and that the country at all events finds little to choose between Fascist imperialism and democratic imperialism. Is Government prepared to accept that position ? Are my British friends prepared to accept that position with all its implications ? I am not prepared to accept that position. I am not prepared to say that there is no difference between Fascist imperialism and democratic imperialism. But if you say that the only organization that matters in the country is the Congress, if you say that the only organization that matters so far as the Muslims are concerned is the Muslim League, then you are driven to the position that these organizations are not supporting you and that they are more hostile than ever to you. Therefore, so far as the country is concerned, it has condemned you so far as this war effort is concerned. Are you prepared to accept that position ? I would beg leave of the House to point out that the demand of the Bombay Conference is not an extreme one or an unreasonable one. The constitution envisaged by the Bombay Conference for the transitional period is more moderate than the constitution provided for us by the Government of India Act, 1935. We have not asked, as was pointed out by the Honourable Dr. Kunzru, for responsibility to the

Legislature. Defence would possibly have been in our hands if Federation had materialized. You were prepared to go ahead with Federation. Federation would probably have materialized but for the war. The Indian delegates, in their Memorandum to the Round Table Conference, had asked for an Indian Defence Member and the Joint Select Committee never turned down that request. They left it an open question. They did not say that the Defence Member must be an Indian, but it was thought that he would be an Indian. If you read the resolution of the Bombay Conference, you will find that the position of the Commander-in-Chief has been clarified and recognized as the head of the army. You want people to co-operate whole-heartedly with you. You want people to make heavy sacrifices for your war effort. You want them to shed their blood, you want them to spend their treasure on you, you want them to give you their political blessing, you want them to say that politically you are a clean lot of men. Is it unreasonable on their part, in those circumstances, to ask you to associate them with the conduct of war affairs? Assuming that unattached men are not completely representative, is it suggested that they are less representative than the seven official members of the present Government of India? Sir, two of the men associated with the Conference, Mr. Aney and Mr. Savarkar, were men who were actually consulted by His Excellency the Viceroy in regard to the formation of the Executive Council. Are you prepared to condemn these men as unrepresentative men? Why did His Excellency the Viceroy, who has gone into purdah, consult these two eminent leaders if they were unrepresentative? Why did he send for them at all? What is the use of talking in this strain?

Sir, I was talking to a very distinguished official the other day. He said in very decisive and emphatic tones that His Majesty's Government are quite decided that they cannot go further than Mr. Amery's last offer. There is nothing final in politics. My earnest suggestion is that a serious effort should be made to end the deadlock and that Mr. Amery, accompanied by some eminent Parliamentarians, who have got the House of Commons and not the House of Lords manner, who have distinguished themselves in public life by reason of ability, not by reason of birth, should come to this country and meet the politicians and statesmen of this country, because I know that Mr. Amery lives in a freer atmosphere than the men on the spot and he will be able to view the Indian situation from a broader angle than the men on the spot. Why can't Mr. Amery emulate the example of my old and distinguished friend Mr. Eden—I claim to have friendship with him, he was a contemporary of mine at Oxford; I knew he was going to be a brilliant man in those Oxford days; I am naturally, as an old contemporary of his, proud of him—why can't Mr. Amery emulate the example of Mr. Eden who has been visiting Egypt, the Middle East and Turkey, and who has been spending so much of his time in these places, organizing opinion, meeting people, strengthening the diplomatic front? We need in this country at this hour men of the House of Commons temperament, men who can talk freely to people, men who can bring to bear upon their task a little more imagination than the men on the spot with their little prejudices and predilections. Sir, why can't, as the Honourable Dr. Kunzru said, the Prime Minister, Mr. Churchill, who has shown himself to be a great leader in a national crisis, speak in his own imaginative manner to the people of this country? Why can't he forget his past in regard to India? Why can't he speak to us and make an appeal to the people of this country? Why can't he say "freedom is yours, the direction of war effort is in your hands, come and help us as comrades in fighting the most disgusting and ruthless imperialism that the world has ever known". Sir, from the constitutional issues I shall now pass on to the question of Indianization of the Services.

[ Mr. P. N. Saprū. ]

I had a lot to say about Indianization but I will take only a little time. I will co-operate with you there, Sir. The Montagu declaration was divisible into two parts, Indianization and responsible government. Now I have been studying the Combined Civil List and I have got a large number of facts which I am not going to set out because I shall take the opportunity of raising a specific discussion on this issue. What I wanted to say is that, I should like to be corrected if I am wrong, after the inauguration of provincial autonomy there has been a tendency to increase the European element in the Secretariat. Why is it that Indians are not to be found in key positions? The case of the Supply Department was stated by the Honourable Dr. Kunzru yesterday. I find that the position in regard to the Railway Board is not much different. There is one Indian member of the Board but all the others, the Secretary, the Director of Traffic, the Director of Establishments, all these are Europeans. At one time these posts were held by Indians. Similarly, I am not satisfied with the state of affairs so far as the Secretariat is concerned in the Home Department. Out of about 11 officers there are only two Indians in comparatively minor posts. From our point of view these posts in the Secretariat are very important positions. I am also not satisfied with the rate of Indianization in the Indian Police. The present strength of the Indian Police is 632 and out of these 422 are Europeans and 194 Indians. I know the calibre of the ordinary Police Service man. I do not think you can say that you cannot get first class graduates of Indian Universities to compete for the Indian Police. I do not see why this ratio which you fixed arbitrarily at 60 for Europeans and 40 for Indians should continue? Then I wanted also to state that since I moved the Resolution on the Civil Service in this House I have had a message from the students of Allahabad University supporting the view which I had put forward, namely, that I.C.S. recruitment should be suspended during the war. It will interest my friend Mr. Hossain Imam. I can show him that letter. Muslim students asked me why Mr. Hossain Imam had taken this line because they would have benefited if a larger number of Indians had been recruited in the I.C.S. I said you have to ask your leader the Honourable Mr. Hossain Imam. Then I would like also to refer to the fact that the Indian strength in the High Courts needs to be increased. We were told in 1937 when Mr. Muhammad Hussain moved his Resolution that the proportion of Indian Judges to European Judges was 51 to 49. We want to know what the position of Indian Judges in the High Courts is, whether there has been any increase in the Indian personnel of the High Courts. It is rather an extraordinary fact that the key positions in the provinces are held by Europeans. The Governors are Europeans, the Chief Justices of High Courts are all Europeans. There is only one Indian Chief Judge of a Chief Court, but there is no Indian Chief Justice. You mean to say that Indians have not distinguished themselves as lawyers. You cannot say that they have not rendered a good account of themselves as jurists. I cannot understand why there is this racial discrimination in this matter of appointing Indians to high judicial office.

Sir, I must redeem my promise and bring my remarks to a close. I have indicated what our main grievances against the present Government are. I have indicated what our attitude towards the war is; our sympathies are entirely with the democratic cause. You may accuse us of encouraging Hitlerism. I will not be deflected from the course that I have determined for myself. But we are determined to show our dissatisfaction with you and the only constitutional method by which we can show our dissatisfaction with you is by refusing to vote for this Bill. We are therefore going to oppose this

Bill. We will challenge a division. We will vote against it because we are completely dissatisfied with the attitude of the British Government towards India's constitutional advance. This vote is not a vote against the war effort. The vote is against the manner in which opinion which is prepared to co-operate on terms consistent with the self-respect of India has been treated by His Majesty's Government and by the Government of this country.

Sir, these are the observations that I have got to make on this Bill.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan): Mr. Chairman, the Finance Bill of this year has been so overshadowed by the political and communal considerations that it is difficult for any one to discuss anything but these subjects. This is probably the 12th Finance Bill of my time in this House, and I do not remember to have been called upon to discuss matters unconnected with finance as much as I am today. I find that in my allotted time I will not be able to deal with the financial and economic subjects even cursorily. Nevertheless I should like to preface my remarks with some observations on the Finance Bill itself. The Finance Member had a light task in the Assembly. He had very few items to reply. I think the Finance Secretary is luckier still and he has fewer subjects to deal with. I have only two observations to make on the financial proposals. The House will remember that last November I brought forward a Resolution in which I asked the Finance Secretary to increase the excess profits tax. I had suggested it should be doubled. He has increased it by 33 per cent. ; so I cannot find any fault on high taxation. But I have always been urging that giving share to provinces is wrong. The justification for excess profits tax is the war, and only those who are responsible for war efforts should get the proceeds of this tax. It is not a normal peace-time taxation and they have realized it to a certain extent. There are two items of additional taxation, one is the surcharge which goes entirely to the centre and the other is the excess profits tax. As the excess profits tax realized from corporation tax or from companies being 84 per cent. goes entirely to the centre why not treat it as a central surcharge. It is only the excess profits realized from individuals which is placed in the pool and divided half and half. This year according to the estimates they have got Rs. 33 lakhs in the pool and that is going to be divided. Next year the amount will be much more. They have got Rs. 5 crores and 1 lakh as surcharge on the centre and Rs. 9 crores and 44 lakhs from Corporation and individuals as excess profits tax. There is only the sum of Rs. 1 crore and 42 lakhs which is to be divided. Rs. 71 lakhs is to go to the provinces. If you consider the prosperous condition of some of the provinces like Madras, you will agree that your policy is to give where it is not required and take away money from those who require it badly. Why should you pass to future generations a part of a burden which you can yourself shoulder? The provinces are in a good way. Most of them are prosperous. Therefore there is no necessity of giving excess profits tax to the provinces. The only factor which is standing in their way is prestige. They have once decided to give, howsoever a small amount, and they are not prepared to listen to advice. It does not add a penny to the Indian Government. Whether it is placed in the coffers of the centre or the provinces, it will remain Government money, but it will ease the situation a little. To that extent it should be considered. My only disagreement with the Honourable the Finance Member is on the match duty. Although a defence was made by the Finance Member that it is a smoker's tax and he cited his own example of how heavily he will be taxed as he consumes a box a day, in spite of that, I would like some assurance from him on a subject which has not been clarified in the other House. The Honourable the Finance

[Mr. Hossain Imam.]

Member stated there that the limits of 40, 60 and 80 were not such that they could not be changed. He suggested that under the Act it would be possible for him to vary the taxation if the contents of the boxes were reduced or increased. I am not clear on that subject. What I want from him is an assurance that matches will be available to the public at the price of 1½ pice and 2 pice respectively for 40 and 60-stick boxes. Is he prepared to give us this undertaking? Then we would have no objection. The price of matches is in such small coins that fine changes cannot be made. It has to be in multiples of half a pice. At the moment, Sir, what is the position? A gross of 40 sticks match box at the rate of 1½ pice costs Rs. 3-6-0, out of which the Government gets Rs. 2 as excise duty. This leaves the match manufacturer, the wholesalers and the retailers with a margin of Rs. 1-6-0 on a 12 dozen box. In the other category of 60 sticks you will find that at the rate of 2 pice the price comes to Rs. 4-8-0. You are going to charge a duty of Rs. 3. You leave the retailer and the manufacturer with Rs. 1-8-0 for a quantity which is 50 per cent. higher than Rs. 1-6-0. It is a physical impossibility. You have either to reduce the contents of the box or to increase the price. The Government has given no assurance that they will see that prices do not go above 1½ pice and 2 pice for these contents. I am very much afraid that when a final settlement is made we will find that match boxes contain lesser number of sticks.

Sir, I was going to discuss the uneconomic competition which is offered by industries established in the States, but as the time is short and we will get an opportunity to discuss this matter on Dr. Kunzru's Resolution, I shall not dilate on it. But I should like to mention that while everyone from His Majesty downward has praised the Indian Princes for their generosity, no one has a word to say about the burden which is thrown on British Indians, be they industrialists, capitalists or consumers. We are heavily taxed, whereas the Indian State people are not. The Indian States and their people are contributing nothing compared with their population or their wealth to war expenditure which is being incurred today. Everybody has praise for them, but no one looks at the realities of the situation. Have you considered how slight is the help which they are rendering? If even at this time central taxation cannot be imposed in Indian India by means of arrangements by the Paramount Power I wonder when the time will come. We are in the midst of a war on which depends the life and death of the Empire. Kingdoms are falling in Europe like houses of cards, and yet we in India are living in a fool's paradise. The Princes and Government are thinking of treaties and arrangements made a hundred years ago when there were no conditions existing as prevail today. I do appeal—not to the Government of India because it has no *locus standi* but—to His Majesty's Government to realize what are the issues involved and equalize the burden between British India and Indian India. But there is one thing in which the Government of India is also failing. It is in the matter of the plight of primary producers, the agriculturists, the producers of foodstuff for combatants. I know the difficulty in which His Majesty's Government is placed. I know that shipping is too valuable to be spared and it is required elsewhere, where it can do greater service to the common cause than it could in India by carrying goods. But the instances which were cited in the Assembly by Hussainbhoy Lalji, one of the spokesmen from Bombay are really disgraceful if they are facts—that in our own country we should be discriminated against; that there should be this sort of treatment meted out by the Conference lines to our own shippers is a thing which ought not to have existed in peace time and which cannot



exist in war time in any country which claims to govern in the national interest. Then, Sir, there is another aspect in which the Government could help us. While there is a glut of money in commercial centres, agriculturists cannot get money, whether they beg or borrow. There is no money available to agriculturists. The Government can make a beginning by making a start on the lines of agricultural credit administration of U. S. A. in the centrally administered areas. Example is better than precept. We have been at this game of examining schemes long enough. It is actual example which will greatly facilitate the start of this kind of movement in the provincial areas.

Sir, we are faced with such difficulties—there is no shipping space available, things are rotting; the other day a deputation from Madras of tanners came: I do not know what promise they took from the Government of India: but I know this, that their troubles were very real. I have an instance from my own constituency. Orissa, although separated from Bihar, is still part of my constituency and from there I got a case just now, Sir, in which a hide tanner in Orissa whose maximum income-tax had never exceeded Rs. 3,000 had been asked to pay Rs. 35,000 for the year 1938-39 besides the usual contribution for 1940-41 (*An Honourable Member: Congratulations*) of which he has paid Rs. 10,000. He has preferred an appeal and this appeal has already been heard thrice. I have not examined the case but it is stated that as the Government had made a constitutional error the appeal must wait till Government passes a validating Act. All the same Government presses the demand, and the income-tax authorities want their pound of flesh. The poor man is in a predicament, and this House knows that Government has stopped all shipping. He is solely an exporter. His goods are lying and he cannot export it, and yet he has to pay the demand. Neither is he given the time nor the facilities to pass on his goods.

Sir, I shall now revert to the questions communal and political. Mr. Chairman, the service question is one on which I wish to lay some stress. It has been the practice of the Government to brush aside all our complaints against the services on the ground that we want special treatment. Our friends on the right help those on the left by giving their moral support, and this had brought out the display of communal bickering in which they indulged the other day—I think it was on the 25th and 27th February. Sir, the question has to be considered in rather a dispassionate manner. The conception of the Government has changed enormously. The Government's function in the former days was only to govern and to maintain order. Now a Government which only maintains order and does not do anything to advance the prosperity of the country would be turned out. A Government which is not careful of the interests of the citizens would not stand a day's test in a democratic country. It is universally regarded that one of the economic functions of the Government is to act as a cistern. It has to take money from those persons and places where it is bulging and too much of it is accumulated as in Bombay, and to distribute it to those barren soils where money is not to be had. It should be like a canal which brings water, which is going waste to the ocean, and increases fertility. *These are the economic conceptions of today, and as such I do not crave, I demand my right, for a share in the disbursements of Government.* I am not ashamed of it. I say that I have a right and the Government which is not willing to give me that right will have to fight. All our troubles have arisen, Sir, because we were late in the day, our difficulties are the counterpart of the British Government's troubles in this war. Germany had started ahead: Hitler had armed himself, and you find to your cost how difficult it is when you have to face an

[Mr. Hossain Imam.]

organized party. With all the help of the U.S.A. you have not come up to the German standard, and you are surprised that we Muslims, who have no one to champion our cause—neither the Hindus, nor the Treasury Benches do not make headway. All obstacles are created by interested persons to bar our way. Sir, the amount of disregard which is evinced by the highest officials of the Government is something which in other spheres would have been called criminal negligence. Our friends who are in the majority of employments in the Government service have got one motto—It is “*He who has more shall retain it and get more, whether he be the Anglo-Indian, the European or the Hindu*”——

THE HONOURABLE MR. P. N. SAPRU: Or the Muslim!

THE HONOURABLE MR. HOSSAIN IMAM: Muslims have no majority anywhere. “*And he who has little shall never demand more, and if possible he may be made to give up even that which he has*”. This is the motto which is always held by those who are in control of the services. You have legislated in favour of labour to check the capitalists. What have you done for us? The Resolution in 1934 as passed by the Government of India in the Home Department was hedged in with so many reservations that it has become a dead letter. We have been asking for our safeguards—it is not safeguards, it is a misnomer to call it safeguards—we have been asking for our rights. Sir, after fighting for years and years together we got that award which was called the *chhota* communal award by some of our friends, but which in reality was nothing by a pious wish. Let me tell you some of the hurdles that were put in the way. First of all it did not apply to promotions. Now the easiest way out for our detractors was to make open recruitment more and more scarce and to start filling the services by promotions. Secondly, Sir, technical posts were to be exempted from it. Sir, how every ordinary post can be made technical was shown in the course of the replies in connection with the Archaeological Department in the Assembly this session. Sir, after all these hurdles there are other handicaps. The Mussalman does not end his troubles simply by entering service. His trouble begins anew when he enters service. First of all it was closed to him. Then it opened the door, and in passing he finds that the door is being closed behind him, and he is being squeezed. Sir, if I had more time at my disposal I would have given innumerable instances of the ways in which we are oppressed, suppressed, and victimized. I shall merely give one or two instances. One is closely connected with the Honourable the Finance Secretary. I heard that in order to compensate the Secretariat people for the disappearance of the post of Assistant Secretaries, the Government has decided to make one appointment of Income-tax Officer every year from the Secretariat. The question arose whether it should be treated as promotion or direct recruitment. As it is not in the same line as the Secretariat

4-5 P.M.

service, it could not, therefore, be regarded as promotion. It should, in justice and equity, be regarded as direct recruitment although the field of choice is restricted. Now, what happens? The roster of the Home Department says that the second job should go to a Muslim. The appointment is made of a non-Muslim, and the reply given to us is that it will be adjusted in the province to which the persons are posted, completely forgetting and marking the fact that Income-tax officers in the provinces are not directly appointed. They go there by promotion. You give us compensation at a place where there is no compensation to be had. If we

ask for compensation there, we will be told that this is promotion and so we cannot claim reservation as a right. Sir, the reply was given to a question in the Assembly last session that the deficiency will be adjusted in the provinces. I ask, is it honest to delude people like this? We are not supposed to know of the ins and outs and secrets of the services. Believing in the Government we are content with asking a question and on getting a reply, and we think that Government has given an honest solution. But when we go deep into it, we find that there is a snare.

Another instance. The Mussalmans are supposed to be so unfit that they are scarcely eligible for promotions. The Communications Department is in the charge of the Honourable Sir Andrew Clow. In the course of my statement of 25th February, Sir, I had said that we had not received even in the direct recruitment to the superior gazetted ranks the quota which was fixed for us, and I was vindicated by the reply which was laid on the table of the House in reply to my question No. 133 yesterday. The number of direct recruits to superior posts made from 1935-36 to 1939-40 totalled 91. These appointments were made by the Federal Public Service Commission. Out of 91 appointments to which this award applied, do you know what was the magnificent number that was given to the Mussalmans? Fifteen. *And yet you say that you are doing your best.* We were not even fit to be appointed for a post which has been indicated in the reply as "Others" meaning neither the Engineering nor the Transportation nor Power nor Mechanical nor Accounts. Even in this miscellaneous category to which six appointments were made, not a single Mussalman was appointed and the plea is that Mussalman Mechanical Engineers are not available. Sir, it is plainly playing with the whole subject.

In reply to another question of mine, figures were not given as they were not readily available and possibly, next session, I hope to deal more fully with the subject. But here I should like to mention just one reply which I have received. I asked in my question No. 137: "If it is a fact that in the B. N., B. & N. W., M. & S. M. and E. B. Railways, the number of Mussalmans in the senior subordinate grades has actually come down." The E. B. R. is one of those railways in which the quota of the Mussalmans has been fixed at 40 per cent. *Out of 1,650 senior subordinates, there were 51 Mussalmans to start with and there are 44 Mussalmans left now, and you say that you are doing your best for us.* It is not the person in authority who is to be blamed, it is the system which is to blame. The person in authority is to be blamed for supporting the system, for turning a blind eye to our grievances, and for not looking at the facts as they should be faced. This is the fault of the authority and that is the fault of the system.

Sir, I will cite only one more instance. There are thousands of instances out of which I will cite only one on which I feel rather strongly. Sir, in the N. W. R. Moghalpura workshop—I know, Sir, that time is too precious for me to waste on any minor details, but this involves a question of major issue for our people and therefore I am spending some time on this. In the Moghalpura workshop, two persons who were employed, one as a foreman was a non-Moslem, and the other as a senior chargeman, was a Moslem. They were both called for interview for an appointment under the Supply Department. The non-Moslem was drawing Rs. 500 and holding the office of foreman. The Moslem was holding the post of a senior chargeman on Rs. 290. They were selected for gazetted rank on a pay of Rs. 650 including allowances. The non-Moslem was spared and the Moslem could not be spared. He was not even permitted to go up to his higher official to appeal against it. His case was sent to me by a mutual friend. I brought the matter to the notice

[Mr. Hossain Imam.]

of Sir Andrew Clow, and yesterday I received a reply from him saying that he was satisfied that this system was all right, and that no injustice has been done to the Muslim, and he takes shelter behind rebutting the allegation that his retention in the Railways is due to a Hindu clerk having misguided the N. W. R. Now, that allegation was not the main complaint. The main objection was that if the man would die tomorrow, will that workshop stop? Or, if the man were to fall ill, will the workshop not go on? *I challenge the Railway Department to cite a single example in the whole of the Railways of a man other than a Muslim, be he a European or Anglo-Indian, or Hindu, who has been made to work on pay which is less than 50 per cent. of what was offered to him?* He has been retained against his will. He was not going to do any private work. He was going to the Supply Department to do war work. Do you imagine a man with such a grouse will ever retain his efficiency? How would any one of the Secretaries who is drawing Rs. 4,000 feel if he is offered promotion to a Governorship, but is refused to be allowed to go because he is efficient as a Secretary? Can you imagine such a thing happening anywhere else except in this Government which has got neither life nor soul nor heart? Sir, I had many instances which I had noted but I find that I have already taken more than half an hour so I will bring my remarks to a close on this subject.

The Honourable Mr. Sapru referred to a question to which I had no intention of reverting, but on account of his charge I have to reply. He referred to my attitude towards his Resolution on the I.C.S. The report of our proceedings of 27th February, 1941 has been published. It will be clear from its perusal that I had based my opposition on three distinct grounds, out of which one has been accepted by the Government. My opposition to recruitment was due to the fact that I wanted that our young men who are going to the war should have an opportunity of permanent employment when they come back. Was that communal? A second reason was that I regard the number of posts reserved for the I.C.S. as too high. Is the Honourable Mr. Sapru prepared to say that I.C.S. personnel should be retained for all the services, even for services which have been completely Indianized, that you must go on recruiting Europeans for the Indian Audit and Accounts Service, the Customs Service, the P. and T. and the Income Tax Service. All these are Indianized units. If you do not have I.C.S. recruitment to these services what will be the result? You will increase the Indian personnel. I never thought that Mr. Sapru would be so obsessed by the communal aspect of it that he would disregard all others and that he would champion the cause of children and college boys who are not expected to be as wise as their tutors.

**THE HONOURABLE MR. P. N. SAPRU :** May I ask what would be the effect on the character of the I.C.S. recruitment if some of these posts which go to the I.C.S. are diverted and given to the services you mention?

**THE HONOURABLE MR. HOSSAIN IMAM :** The I.C.S. is too big to be affected by such small drains. If the I.C.S. had been an all-embracing service we would have had no central services. We have created central services and are reducing the I.C.S. Mr. Sapru is politician enough to know that many of the provinces have been demanding provincialization of their services, and if he has provincial autonomy he will have to give in. The centre should be better provided with services of its own and communal aspects come in only by the way, although I am not ashamed of it. I say that

until there is an arrangement between us we would rather retain the Europeans than rely on the mercy of those whom we have found many a time to our cost most unsympathetic, not to say, cruel.

Sir, on the question of our communal representation in the services I would not say much. I would ask the Government to seriously consider the question and not be satisfied by the mere observance of rules. The rules are not the essential thing. It is the end which has to be kept in view. Has the objective been achieved? *The objective is that every person living in India has a right to share in the disbursements of the Government. Are we receiving our share?* If the Government inquires into the matter and finds that their system is correct I would be satisfied. What will they do if they find that the result is not as it should be? *I ask them to be wise and to examine the question and find where the trouble lies and cure it.*

(At this stage the Honourable Sir David Devadoss vacated the Chair, which was occupied by the Honourable the President.)

May I suggest for the consideration of the Government a method which has already been tried in one of the Departments of the Government of India; I refer to the system in the Accounts Department, whereby probationers are taken in with high qualifications to serve for a period. If they pass out they are given higher jobs; if they do not they revert to the minor posts. If that kind of system is adopted in the railways and you take the probationers in the inverse ratio of the Muslims in the service—for instance in a service where they are 5 or 6 per cent. you should take 75 per cent. of the probationers from Muslims, and in a service having 20 per cent. of Muslims you will take 25 per cent. of Muslim probationers. If we are well represented we do not want any extra share, but where we are ill-represented we do demand a higher share.

Sir, coming to the communal and political question, our Honourable colleague Sri Narain Mahtha again asked certain questions. He, Sir, is in the bad habit of consulting those who are ill-suited to advise him. He should rely more on himself than on interested persons. Sir Manmatha no doubt was a distinguished Judge and a Member of the Viceroy's Executive Council. Nevertheless he is a Mahasabhaite and as such his advice about the Muslim League is scarcely to be relied upon. So I would ask him if he wants to understand Pakistan, first of all to read the Pakistan resolution. If he had read the resolution he would not have been under the delusion that the minorities in Pakistan will be held as hostages. Nothing could be further from the truth. We have given to the minorities in that resolution more rights and powers than the Congress has ever promised in so many words; except in the well known blank cheque which was neither signed nor had the name of the bank written on it. They have given the Mussulmans a completely blank cheque. Similarly the charge against the Congress of pampering the minorities is as well founded as the charge against the Treasury Benches of having passed power to the Indian electorate. If you can say that by appointing three persons to the Executive Council from amongst Indians they have completely given over the control of India to the electorate, then your charge against the Congress is true for it had a Muslim President. Otherwise it has no foundation. The Pakistan scheme is not yet a cut and dried scheme with which I wish to face my friends and say, here it is, take it or leave it. We are not of that dictatorial temperament to which Mr. Gandhi with his non-violence belongs. He wants that at the time when England is in difficulty it must hand over all that it has got without even a promise of getting support

[ Mr. Hossain Imam.]

for war in return : because they are non-violent and believers in civil resistance. You remember the heading which appears in the *Statesman*, "Crank's Corner". You should read it. And I am afraid our friends at Bombay had the shadow cast upon them, the shadow of the Congress. Sir, I have before me a copy of the speech of Sir N. N. Sircar.

THE HONOURABLE THE PRESIDENT : Won't you leave the Bombay friends alone ?

THE HONOURABLE MR. HOSSAIN IMAM : They have figured more in the speeches on my right than anything else. I have promised not to take more time than my Honourable friend Mr. Sapru did and I shall finish within that time limit. If I had not been fortunate enough to get that speech, I might have formed a different opinion about the Bombay Conference. The Bombay Conference is an important landmark. Whatever may be its effect it is nevertheless an important landmark. I hope no one claims a national status for the Bombay Conference and I am glad that Mr. Sapru clarified the situation that the Bombaywallahs did not copy the Congress and claim universal representation. I wonder what were the qualifications which made a man eligible for membership of this Conference and what were the disqualifications which excluded a person from the conclave. In the first instance, Sir, we were told that this was a non-party Leaders' Conference. I was surprised that in a congregation of non-party leaders, who were termed by Sir A. P. Patro as unattachables, there should be such a leader as Mr. Savarkar. He represents the entire Hindu Mahasabha. What was his eligibility for this Conference membership ? Was he a no-party man ? I regard the Bombay Conference as a very representative, very distinguished and a prominent assemblage of non-Congress Hindu opinion, preferably that of the caste Hindus. In the galaxy of the distinguished people who adorned it, there was a sprinkling of one or two depressed class men also. And three Mussalmans were thrown in from Bombay City alone just to give it colour. While I am in entire agreement with Pandit Kunzru and Mr. Sapru in regard to condemnation of the Government for not associating Indians in the administration of the country, I personally cannot attach too much weight to the personal eminence of our politicians as a qualification or as satisfying the public demand in that respect. I personally believe that until you have available a correct well-balanced indigenous system of democracy, you must insist that your executives belong to a political organization ; otherwise there will be no check on those whom you place at the highest pinnacle of power. Even the highest man, Mr. Churchill, is subject to Parliament. To whom will you make the central minister responsible ? To the Viceroy ? Consider it not from the narrow point of view of the Bombay Conference, but from a higher plane of political thought. Is it wise to give powers to those who are responsible to no one ? It they are responsible only to the Viceroy, what difference is there between them and those who are at present occupying the Treasury Benches ? There is no magic in the name "Indian". An Indian merely by his presence will not work wonders, he will not make this bureaucratic Government which has no interests of India at heart more Indian unless he has the power behind him. It is power which makes them strong and that power you cannot have until you have public opinion solidly behind them. In this connection the Honourable Mr. Sapru remarked that the League had refused to co-operate. I think it is a little terminological inexactitude.

THE HONOURABLE MR. P. N. SAPRU : I said that the League refused to co-operate except on its own terms.

THE HONOURABLE MR. HOSSAIN IMAM : Everyone and every political party has a right to lay the terms and it is not worth its name if it does not make some *sine qua non* to joining a cabinet. We are not hankering after offices. Rs. 6,000 jobs are not so good for us that they cannot be left aside. The Mahasabha was perfectly willing to come and join. It was only Mr. Jinnah who gave the warning and wanted conditions precedent, firstly, he wanted to know what were the portfolios to be given ; secondly, how many were going to be taken ; and thirdly, that the men should be selected by the organization. It was only after this, that the Mahasabha became wise. It was for this reason that in my last speech in November I had said that the Mahasabha was a little foolish, to which my Honourable friend Mr. Kalikar had taken exception. It was so anxious to join the Cabinet of the Viceroy as soon as it received the offer that it made none of these conditions. These conditions laid down by Mr. Jinnah were not only for the Muslim interests ; they were in the interests of India as a whole. The Indian cause has advanced by these conditions. We should know whether the transfer of power contemplated is shadowy or whether it is a substantial thing. If the League had joined the Cabinet when the offer was made (I may say without any disrespect to the Honourable the Leader of the House) his portfolio might have been split into three and placed in charge of three members. How could in such an event our interests have been advanced ? Where was the Muslim League's insistence on communalism in this or other matters ? It was really in the national interests that the conditions were put forward ? Can you cite to me a single instance where the Mahasabha has stood out as we did ?

Sir, I had intended to say something about Sir N. N. Sircar's speech, but I find that I have very little time and I would not be able to do justice to it on this occasion. I shall therefore postpone it to some other occasion. I shall only reply to one or two of the questions that have been put by Mr. Sapru. I think he gave a very sorry example when he cited the case of interim ministers ? Does he not know what was the position of interim ministers ? They were merely creatures of the Governor. Is he as a responsible public man representing the Opposition in this House ready to praise the interim Ministry. If the Bombaywallahs will be as good or as bad as interim Ministers, I for one would not support the Bombay demand, because a Ministry which has not the slightest public backing cannot function. You cannot at this moment ask His Majesty's Government to change the entire system of the Government of India within the Government of India Act as at present. That is the mistake which is being made by the Congress as well as by the Bombay Conference. You do not realize how great is the responsibility of the Governor General. If that responsibility is broken and then you and the Congress come in on the same level you cannot function. The Honourable Mr. Sapru said that both in the case of the Montagu-Chelmsford Reforms and the 1935 Reforms Government went ahead in spite of the Congress. Similarly if the Bombay Resolution is as unreal and as visionary as that of the Congress it has no chance. I am not hostile to it. I would be hostile to it if it claimed a national and representative character, if it claimed that it was speaking on behalf of the Mussalmans. Sir N. N. Sircar, in his anxiety to cite the Muslims who were against the League, did not even know who were the people whom he was naming Memons you know. The Leader of the House knows. But we have never heard of Memons. I do not know whom he means. Probably he means Cutch Memons. But he does not know even what they are.

**THE HONOURABLE MR. P. N. SAPRU :** Sir N. N. Sircar is a very eminent lawyer, and he may be presumed to know these elementary facts. He must be knowing who the Muslims in various parts of the country are.

**THE HONOURABLE MR. HOSSAIN IMAM :** It is very good to have complete trust and if you have complete trust you can solve anything. The Honourable Mr. Sapru had referred, and rightly referred, to the fact that in India the Muslim rule had not been of disadvantage. He had referred to the fact that we Hindus and Muslims, living together, had evolved a common culture : and he had rightly dissociated himself from revivalist policies. But does he realize how solitary and how much forlorn is the hope of getting this moderate opinion to prevail ? He was saying that moderates are like new industries. They can only prosper in an atmosphere of protection, and if the Government protection is not available, they will die at their young age. Similarly, Sir, it is regrettable that everything common is being ruthlessly brushed aside by those who command public opinion among our Hindu friends. It is they who are primarily responsible for the divergence that exists today between the Hindus and the Muslims. It is these people—I would not call them agents provocateur but I think they are enemies of the country—who by their insistence on going back to thousands of years are bringing about this gulf which is widening every day. All these things, Sir, do not take away the responsibility of His Majesty's Government. When two men are not agreeable, the man who has power has to decide. But Government cannot shirk their responsibility, and they cannot, because of our differences, carry on as they were during the past without any transfer of power to the people of the country. (*An Honourable Member :* Who are the people of the country ? To whom do you want power to be transferred ?) Those who represent public opinion. I trust that and nothing else.

**THE HONOURABLE MR. R. H. PARKER :** Will you be satisfied ?

**THE HONOURABLE MR. HOSSAIN IMAM :** Yes, if the Government would agree to abide by it. I say, Sir, that when the Muslim League demanded a majority of seats in the Viceroy's Executive Council, it was perfectly justified. I ask you to compare the election figures. See how representative is the Muslim League and how representative are the other Hindu organizations outside the Congress. I agree with Mr. Sapru that Congress does not represent the entire Hindu population, and I agree with him, too, that the Muslim League does not represent the entire Muslim opinion. But the overwhelming majority of Hindu opinion is reflected in the Congress and the vast majority of Muslim opinion is represented in the League. I ask the Government to dissolve the two Houses. Let there be elections and those who claim to speak on behalf of the Muslims come to the polls and prove their right to represent the Muslims. I am sure that no one will be able to establish his claim among the Hindus against the Congress. Very few Hindus would be able to find themselves returned to the Councils who are outside the Congress.

**THE HONOURABLE SIR MUHAMMAD YAKUB :** What about the Hindu Mahasabha ? They claim to be the real representatives of the Hindus.

**THE HONOURABLE MR. HOSSAIN IMAM :** Sir Muhammad Yakub knows very well how unrepresentative they are, how they have lost even the security deposit in one of the bye-elections just now in the United Provinces. (*An Honourable Member :* What about Mr. Jamnadas Mehta ?) Mr. Jamnadas



Mehta has a personality all his own,—his past connection with the Swaraj Party, his labour propaganda, and not the Mahasabha account for his success. It is the personal success of Mr. Jamnadas Mehta.

Sir, I was saying that the Government is responsible to the country at large, and the country is after all larger than these two big factors, the Congress and the League, especially in view of the fact that the League is willing to co-operate provided you do not ask us to demean ourselves, provided you do not regard me as a beggar who is out to have this Rs. 6,000 in his pocket : that does not count with us for much.

THE HONOURABLE THE PRESIDENT : You have had your full time now.

THE HONOURABLE MR. HOSSAIN IMAM : I am coming to a close. I was saying, Sir, that by any method of counting you will find that the Muslim League on your own democratic basis represents more public opinion than all the Bombaywallahs combined. The Congress says that it has the entire support of India. At least of Hindu India, to a great extent they have. And still they go on attacking the Muslim League that because it has demanded a predominant share in the governance of the country therefore its demands should not be considered. As I understood Mr. Sapru's remarks—if I am doing him an injustice I would like to be corrected—that the Muslim League was to be disregarded by the Government and the portfolios offered to those present at the Bombay Conference.

THE HONOURABLE MR. P. N. SAPRU : I said nothing of the kind.

THE HONOURABLE MR. HOSSAIN IMAM : If he has not said it, I have nothing to say.

I would tell the British Government that—" You committed a mistake in the past by disregarding Hitler who was arming himself. You remained complacent. You thought that everything will be all right, and you have now had a rude awakening. Similarly, if you regard that Indian conditions are safe, that India is taking everything that you inflict on it lying down, you are sadly erring. You have power, you are at the moment using your power to govern : but you are not doing so with the concurrence and willing support of the people. This willing support is there, is ready to come, is anxious to come, provided you give us an opportunity to serve you in the way in which a self-respecting man can serve. But even for the cause of the safety of the country we will not demean ourselves. We will not be a party to telling you an untruth and saying that Indians are with you." The Muslim League in the first instance, Sir, supported the Bill of March, 1940. There was a warning in November, 1940 and we remained neutral. And now we are opposing the Finance Bill and that is not the end of the matter. If the Government persists in its callous attitude, we will do whatever we can, whether it be for the worst or the best, to vindicate the national honour of India and ourselves.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Education, Health and Lands Member) : Mr. President, I am sure that when Dr. Johnson wrote the lines :

" Let observation with extended view,  
Survey mankind from China to Peru ".

[Sir Girja Shankar Bajpai.]

he was being unconsciously, and unwittingly perhaps, prophetic of the range and scope of discussions on Finance Bills. Certainly, Sir, nobody can complain that the discussion on the measure before the House has not covered very wide ground indeed. We have heard of the grievances of Orissa, of the inadequate representation of certain communities on the High Court Bench of Madras, and other matters of more or less importance. I think, Sir, time presses and it will be agreed that even if one were willing to deal with all these matters, there is no opportunity to do so. If I have intervened at all, it is for a very limited purpose and, I may say to the House at once, that the inspiration for that intervention is no desire to import controversy, although there has been much said in the course of this debate, hard, harsh and unmerited, about Government which, if I had the time, I could controvert. But again, the stage is late for elaborate controversy, and in any case, controversy is not conducive to the smoothness of atmosphere and the harmony of spirit which, I am sure, we all desire, not merely inside this House but also outside.

Sir, I would first deal with one departmental point, a point of some importance, which the Honourable the Leader of the Progressive Party, Rai Bahadur Lala Ram Saran Das, raised. That was the question of the appointment of an Agent in the West Indies. Well, Sir, the House needs no elaborate reminder of the position of the Government with regard to that. I think it was explained by my predecessor in the House that Government were in favour of the appointment of Agents, not merely in the West Indies but in other territories also where Indians are to be found in large numbers. The request with regard to the West Indies, as also for the other territories, was made to the authorities concerned. The House is also aware that, when the Royal Commission on the future Government of the West Indies was examining witnesses in the West Indies, the representative of the Government of India put before the Commission very strongly the view of the Government of India that there should be an Agent. The war intervened and the Report of the Royal Commission has not seen the light of day, and we felt that no action would be taken on that Report while the war lasted. Recently there has been an announcement that a widening of the basis of franchise and some other changes in the constitution of the West Indies are contemplated. That means that His Majesty's Government are revolving in their mind, and not merely revolving in their mind but have taken certain decisions with regard to the constitutional future of the West Indies. It seems that, in the circumstances, the Government of India can legitimately ask His Majesty's Government to take up the question of the appointment of an Agent and I can give Honourable Members the assurance that I shall, at a very early date, take up with the Secretary of State for the Colonies and the Secretary of State for India the question of the appointment of an Agent in the West Indies.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : With keenness and vigour ?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : My Honourable friend seems to have a monopoly of keenness and vigour. I can assure him that in so far as keenness of desire and vigour of representation go, we have not been lacking in the least, but he will also appreciate that it is not possible for one Government, however keen and however vigorous it may be, to enforce upon another a representative.

Now, Sir, I come to what I think is much the most important part of what I have to say, and that is, in relation to the political question on which discussion has been concentrated. Whether it has been relevant or not is another matter. In any case, it has been the practice, both in the other and in this House, to treat the Finance Bill as an occasion for raising political discussions, and I for one have no quarrel with Honourable Members for having discussed at length the political and constitutional questions which now confront the various parties in India and also His Majesty's Government. Sir, Honourable Members, principally from the Progressive Party, Members of acknowledged earnestness, sincerity and patriotism, spoke in support of the Bombay resolution. I have before me the text of that resolution. I have also here a report of the mandate of the Conference to its distinguished Chairman. This is the mandate :—

"The Conference authorizes its President, the Right Honourable Sir Tej Bahadur Sapru, to communicate the terms of the resolution to His Excellency the Viceroy and the Secretary of State for India and to take such other steps as may be necessary to achieve its objects".

It will be clear from this, Sir, that the resolution is primarily one for consideration by the Secretary of State for India and by His Excellency the Viceroy. Nevertheless, as Leader of the House, I do charge myself with the duty of communicating to His Excellency the Viceroy, at the earliest possible opportunity, the substance of the observations that have been made on that resolution in the course of this debate.

Now, Sir, one word with regard to the vote which is to be cast on this Bill in the next quarter of an hour or half an hour. Honourable Members opposite said—and we are grateful for it—that they have the fullest sympathy with Great Britain. They are full of admiration for the fortitude, the tenacity, the courage, the invincible endurance, with which the people of Great Britain are today standing up to an assault unprecedented even in their long history, showing qualities which, I venture to submit, have never been transcended in glamour in all the long and distinguished history of England. We are grateful for that. We are also grateful for the declaration that Honourable Members belonging to the Progressive Party and the Muslim League Party desire nothing more than a complete defeat of Nazism and other totalitarian ideologies, of the totalitarian powers, now banded together for certain aggressive purpose. That is so. But then Honourable Members go on to argue thus : So far as we are concerned, we have not received from His Majesty's Government that measure of association or control—association in the Government of this country or control over the affairs of this country—which alone can justify our giving support in full measure. I do not dispute the sincerity of their attitude. I am even prepared to concede that Honourable Members can argue on that thesis ; but what I wish Honourable Members to consider is this. It is not their intent, not their purpose, in casting a vote in a particular way that matters. What matters is how that vote is going to be misconstrued and misrepresented by those whose doctrines they rightly profess to abhor. That seems to me to be a consideration which ought to be taken by Honourable Members into account when they decide which way to cast their vote. One final word, Sir, and I shall resume my seat. This morning there was a reference to the part played by the Indian troops in the victory at Keren. That is the most recent but by no means, I am sure, the last glorious name in the course of this war to be inscribed on the battle-scarred banners of the Indian Army. For whom are those soldiers fighting ? Not only for the security or freedom of Great Britain. I venture to suggest that they are also fighting for the safety and the freedom of India. (Applause.) This Bill, Sir, is designed to provide ways and means for enabling that glorious

[Sir Girja Shankar Bajpai.]

army to hew its way to victory alongside of its British and other comrades. That being so, the question I ask is, is it just, is it fair, is it right to refuse supplies? It seems to me that put in that perspective there can be only one answer to the question. Never can supplies be denied for such a purpose. (Applause.)

THE HONOURABLE MR. C. E. JONES (Finance Secretary): Sir, as the Honourable the Leader of the House has just said, the hour is getting late and time presses, and I know that Honourable Members are anxious to leave, so I must perforce be brief in my remarks. The debate on this Motion has covered a wide field, as is usual in the case of a Finance Bill; and as is also usual it has been full of interest. It now remains for me to wind up the debate with observations on such financial points as have been raised. You will appreciate that my position is not an enviable one. The discussion has ranged over questions of high politics, which is an inspiration in itself to impassioned oratory. We have had such questions as communal representation in the services, which lends itself to deep feeling and emotion. By comparison financial questions are prosaic and humdrum, in addition to which the Honourable the Leader of the House in the very able tabloid speech he has just given has unwittingly stolen the substance of my opening remarks and practically the whole substance of my peroration. But I feel that the debate on this Motion should finish on the financial level, the Bill being a Finance Bill, although I recognize that it means asking Honourable Members to descend from the sublime almost to the ridiculous. It is usual for the Honourable the Finance Member to attend the debate in this House on the Finance Bill, but on this occasion the Honourable the Finance Member was able to attend only for a short period yesterday afternoon. He has been unavoidably occupied in the other House and it remains for me to deal with the few points that have been raised.

The House is aware, Sir, that so far as the financial provisions of this Bill are concerned there has on the whole been more support than criticism. For that support the Government are grateful, and such criticism as there has been has again, as is often the case in a debate on a Finance Bill, tended to cancel itself out. For instance, the Honourable Mr. Sinha wished Government to borrow more and tax less. The Honourable Mr. Sapru would have Government tax more and borrow less. But I think it is only fair to the House that I should touch on the one or two points that have been raised, and I will do so in the space of the few minutes available to me.

First of all the question has been raised again of the need for economy in the administration. Now, Sir, I dealt with that very fully in my reply to the debate in this House on the supplementary Finance Bill last November. I have just refreshed my memory by looking at the record of that debate and I found to my horror that my remarks on that aspect alone occupied three full pages in the official proceedings. I mention that as indicating that Government do recognize the seriousness of this problem and recognize the legitimacy of the demand that is put forward. But what I would ask Honourable Members also to recognize is that Government are straining every nerve to ensure that in the day-to-day administration, whether it is in the military field, whether it is in the supply field or whether it is on the civil side, money's worth is obtained for money spent. The Honourable Mr. Sinha mentioned as an example of Government extravagance the case of salaries in the Supply Department. I referred last November to the fact that the Honourable the Finance Member, realizing the feeling on this subject, had agreed to place all

his cards on the table and to place the complete case before the Standing Finance Committee for their opinion and their advice. That, Sir, was done and I have here the official observations of the Committee when all these facts were placed before them. The record of the Committee's observations is as follows :—

" After a detailed examination of each item of the statement (and the statement was a long one, Sir,) the Committee came to the conclusion that, considering the urgency and haste in which the Department had to be created and other difficulties pointed out by Mr. Jenkins, the percentage of cases in which mistakes had been made justifying serious criticism was remarkably small. It was held that the impression that salaries in the Supply Department were generally extravagant was incorrect and that steps should be taken to remove that impression ".

I quote that at length merely to ask that the steps that Government are taking should in fairness be given some recognition by Honourable Members of this House. It is not necessary for me to go in detail over the ground that I covered last November. The essential position is the same, but I would reiterate once more that Government accept their obligation in this matter and are doing all they humanly can to see that that obligation is fulfilled.

Then, Sir, the next point that was raised was the moot question of the extent to which a war-time deficit should be covered by borrowing or by taxation. On a question like this it is obviously impossible to dogmatise, except that one can assert positively that at a time like this, having regard to the size of the deficit, having regard to the general scale or standard of Indian revenues, and the undoubted increase in the taxable capacity of the country, the Government would have been failing in their duty if they had not covered at least a part of the anticipated deficit by taxation. If that is granted, Sir, it is merely a question of opinion as to how far that taxation should go. I think the general consensus of opinion as indicated in this debate is that Government possibly have struck the happy mean between the two extremes. Government's own view is that, bearing in mind the uncertain possibilities of the future and the certainty that every dislocation of our estimates as a result of unforeseen developments in the war situation will tend to increase that deficit, they possibly have not gone far enough in the direction of taxation. But anyhow Government have taken the risk, they have come to their final decision, and I think I may assume from the tenour of this debate that on the whole Government's decision has not perhaps been very far out.

As to the taxation proposals themselves, I have very little to say. The

5.5 P. M.

Honourable Mr. Shantidas Askuran rather took my breath away by saying that it was admitted on all sides that the duty on artificial silk yarn and thread was unnecessary and could be removed. Sir, the object of this duty is to raise revenue. Government are satisfied that the duty on art silk fabrics which is already very heavy, having reached the level at which it now stands in pursuance of a policy of protection to the cotton textile industry, has a large margin to spare, and they anticipate that the new level of the duty on art silk yarn and thread should not cause any serious danger to art silk industry in this country ; but I am confident that they will continue to watch the position, and if untoward developments occur I have no doubt that they will seriously consider what action could or should be taken.

Then the question has been raised of the effect of the excess profits tax on industry, and in spite of all that has been said, particularly by the Honourable Lala Ram Saran Das, I think there is no reason for Government to change their view that the effect of this tax is not likely to be as serious or as

[Mr. C. E. Jones.]

detrimental to industry as critics of the tax profess to apprehend. I would reiterate once again that the tax only comes in where excess profits, and substantial excess profits, as a result of war conditions, are actually realized, and I think the Honourable Lala Ram Saran Das had some difficulty in rousing the sympathy of the House when he tried to draw the picture of the terrible fate in which the industry found itself as a result of making a 100 per cent. greater profit in war conditions than it was making in the most favourable standard option period it could choose. I think the moral basis for this tax remains unanswerable. It is a tax on excess profits actually realized in the abnormal conditions created by the war. As the cost of a very adverse effect on the yield of the tax an extremely liberal choice of option periods has been allowed. Special provisions have been made to safeguard the position of new industries, which I need not detail here. On the whole Government are satisfied, as they have been all along, that this tax in war time is a fair and reasonable tax. The level of 66½ per cent. is so much below the 100 per cent. in England that it is impossible to argue from one to the other or to draw analogies from action taken in England as to what should be done here, and the Government see no reason to believe that they have taken any action which is likely to have a serious effect on industry. The Honourable Mr. Hossain Imam referred to the fact that a portion—he admitted a small portion—of the receipts of this tax go to the provinces. That, Sir, is a fact. It is one result of the constitutional position as it stands now which cannot be remedied without making some fundamental changes in the constitution itself, in one of its most vital parts, namely, the financial relation between the provinces and the centre, and the difficulties of upsetting a constitutional arrangement of that sort are immense. We agree that the provinces to a certain extent benefit at our expense by the imposition of this war tax, and we hope that perhaps it will incline them to a little more sympathy and generous action if and when we go to them and ask them to take on a part of the burden of certain expenditure arising out of the war in the Provincial executive field which the centre is at present financing.

The Honourable Mr. Hossain Imam dealt with the subject of matches. I have nothing more to say on that than has already been announced by the Honourable the Finance Member, namely, that he is prepared to consult the industry to see if it is a fact that a variation in the number of sticks per unit will make for fairer and more efficient working. If he is convinced that that is the case, he is satisfied that the powers of exemption which he possesses will enable him to implement any arrangement that may be agreed upon, and in the meanwhile so far as prices go, he has given the assurance that he is determined to see that the consumer is not exploited.

After what the Honourable the Leader of the House has said on the subject of voting, it is perhaps unnecessary for me to say much, except to refer as a personal matter, to the line which the Honourable Mr. Mahtha took on my remarks last November when I said that a Member who votes against this Bill is doing all that he can as a Member of this House in voting against our war effort and therefore is necessarily doing all that lies in his power as a Member of this House and within this House in support of Hitlerism. The Honourable Mr. Sapru said that I was misrepresenting the position of Honourable Members on the other side. Sir, I maintain that I was neither representing nor misrepresenting any position whatsoever, but I was merely stating a fact. If an Honourable Member of this House votes against the supply of funds for the war he is thereby doing all he can as a Member of this House to impede the Government in their conduct of the war and therefore he is doing all that

he can as a Member of this House in support of Hitlerism. I think that that is merely a plain statement of fact. I do not see how it can be denied. Mr. Mahtha said that my statement to that effect was making a present to German propaganda. My view of the German propaganda machine must be totally wrong if it is true that it requires from me or from anybody else any assistance whatsoever in placing an interpretation upon the casting of a vote against the grant of supply to this Government for the prosecution of the war. I imagine they can place their own interpretation upon that because facts do speak for themselves and this vote will be a plain fact. Actions, as I said before, speak louder than words.

The Honourable Colonel Sir Hissamuddin and the Honourable Sir Muhammad Yakub made a plea to Honourable Members to put first things first. The successful outcome of this war is a matter of life and death. It is a matter of existence, and I would ask Honourable Members if they cannot rise to that degree of vision and show that magnanimity and generosity of spirit these are virtues which, like trust and suspicion, beget themselves) which have been shown by the Arabs and the Jews, to which I referred in my speech of last November; I was interested to hear on the 6-30 radio last night that in the message of Colonel Donovan, President Roosevelt's special envoy in Europe, he made special mention of the fact that, when faced with an attack on their very existence and on the ideals which are dear to both, the Arabs and Jews in Palestine have sunk their differences and have united in meeting the common foe, leaving the settlement of their political and other differences to be peacefully sought after the war. This Bill, Sir, asks for funds for the Government for the coming year to enable them to discharge their obligations for the defence of India, and I ask this House to be so good as to pass this Bill. Let them give the Government the funds and leave the Government to get on with the job.

**THE HONOURABLE THE PRESIDENT : Motion moved :—**

" That the Bill to fix the duty on salt manufactured in, or imported by land into certain parts of British India, to vary the rate of the excise duty on matches leviable under the Matches (Excise Duty) Act, 1934, to vary the rate of the excise duty on mechanical lighters leviable under the Mechanical Lighters (Excise Duty) Act, 1934, to vary the rate of the duty on artificial silk yarn and thread leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix the rates of income-tax and super-tax and to continue the charge and levy of excess profits tax and fix the rate at which excess profits tax shall be charged, as passed by the Legislative Assembly, be taken into consideration. "

Question put : the Council divided :—

**AYES—27.**

Askuran, Hon. Mr. Shantidas.  
Bajpai, Hon. Sir Girja Shankar.  
Charanjit Singh, Hon. Raja.  
Chinoy, Hon. Sir Rahimtoola.  
Conran-Smith, Hon. Mr. E.  
Das, Hon. Rai Bahadur Satyendra Kumar.  
Devadoss, Hon. Sir David.  
Ghosal, Hon. Sir Josna.  
Govindachari, Hon. Rao Bahadur K.  
Haidar, Hon. Khan Bahadur Shams-ud-Din.  
Hissamuddin Bahadur, Hon. Lt.-Col. Sir.  
Jones, Hon. Mr. C. E.  
Khurshid Ali Khan, Hon. Nawabzada.

Lal, Hon. Mr. Shavax A.  
Menon, Hon. Sir Ramunni.  
Mitra, Hon. Mr. D. N.  
Muhammad Yakub, Hon. Sir.  
Mukherjee, Hon. Sir Satya Charan.  
Nihal Singh, Hon. Sirdar.  
Parker, Hon. Mr. R. H.  
Putro, Hon. Sir A. P.  
Prior, Hon. Mr. H. C.  
Richardson, Hon. Mr. J. H. S.  
Roy, Hon. Mr. S. N.  
Sobha Singh, Hon. Sardar Bahadur.  
Williams, Hon. Mr. A. deC.  
Wilson, Hon. Mr. L.

## NOES—11.

Dalal, Hon. Mr. M. N.  
 Das, Hon. Mr. N. K.  
 Hossain Imam, Hon. Mr.  
 Kalikar, Hon. Mr. V. V.  
 Kunzru, Hon. Pandit Hirday Nath.  
 Mahtha, Hon. Rai Bahadur Sri Narain.

Mitha, Hon. Sir Suleman Cassum Haji  
 Padshah Sahib Bahadur, Hon. Saiyed  
 Mohamed.  
 Ram Saran Das, Hon. Rai Bahadur Lala.  
 Sapru, Hon. Mr. P. N.  
 Sinha, Hon. Kumar Nripendra Narayan.

The Motion was adopted.

Clauses 2 to 5 were added to the Bill.

The Schedule was added to the Bill.

Clauses 6 to 8 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. C. E. JONES : Sir, I move :—

“ That the Bill, as passed by the Legislative Assembly, be passed. ”

The Motion was adopted.

## STANDING COMMITTEES.

THE HONOURABLE THE PRESIDENT : I have to announce that nominations for election to the following four Committees, namely :—

- (1) Standing Committee on Emigration,
- (2) Standing Committee of the Labour Department,
- (3) Standing Committee of the Department of Commerce, and
- (4) Standing Committee of the Department of Supply,

will be received up to the 1st April instead of the 29th instant as previously announced.

## STATEMENT OF BUSINESS.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House) : Mr. President, there are four financial Bills, or Bills with financial implications, which we have to complete before the end of the financial year and, therefore, I suggest that you direct that the House do sit tomorrow at 11 A.M.

The Council then adjourned till Eleven of the Clock on Saturday, the 29th March, 1941.



# APPENDIX C.

Table showing the effects of War Taxation on Profits.

Excess profits tax @ 66½% : Income-tax @ 2½ annas and super-tax @ one anna the rupee ; and surcharge @ ½rd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Pre-war (standard) profits.	Current (war) profits.	Excess profits.	Excess profits tax.	Balance (3 — 4)	Addl. income and super-tax on (6) @ Re. 0-4-8 per rupee.	Additional income and super-tax on (1) @ Re. 0-1-2 per rupee.	Additional income and super-tax (6+7)	Net additional profits (5 — 8)	Percent- age of (9) on (1)

519

9,00,000	11,25,000	2,25,000	1,50,000	75,000	21,875	65,625	87,500	-12,500	-1.4
	13,50,000	4,50,000	3,00,000	1,50,000	43,750	65,625	1,09,375	+40,825	+4.5
	15,75,000	6,75,000	4,50,000	2,25,000	65,625	65,625	1,31,250	+93,750	+10.4
	18,00,000	9,00,000	6,00,000	3,00,000	87,500	65,625	1,53,125	+1,46,875	+16.3

The results then are as follows :—

Increase in taxable profits.

25%  
30.88%  
50%  
75%  
100%

Real increase of net profits.

-1.4% (Deficiency)

Nil.  
4.5  
10.4  
16.3

N.B.—If the increase in rates introduced in 1939 is taken into account, the burden will be seen to be still greater.