

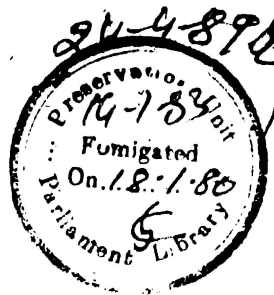
24th March 1944

THE
LEGISLATIVE ASSEMBLY DEBATES
Official Report

Volume II, 1944

(29th February to 27th March, 1944)

TWENTIETH SESSION
OF THE
FIFTH LEGISLATIVE ASSEMBLY
1944



LEGISLATIVE ASSEMBLY

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LEGISLATIVE ASSEMBLY

Friday, 24th March, 1944

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS.

WORKING OF EXTRA DEPARTMENTAL SUB-POST OFFICES.

607. *Qazi Muhammad Ahmad Kazmi: (a) Will the Secretary for Posts and Air please state whether it is a fact that prior to 1930 Extra Departmental Branch Offices used to be opened in villages only and the Extra Departmental Postmasters were required to work for one or two hours only?

(b) Is it a fact that the persons in charge of these Extra Departmental Branch Offices were either school teachers or cattle pound keepers, etc., whose main source of living was income derived from sources other than Post Offices?

(c) Is it a fact that from 1930, the scheme of Extra Departmental Sub-Offices was started in towns and cities also, and at some places Departmental Sub-Offices were substituted by Extra Departmental Sub-Offices with a view to reduce the expenses of the Department?

(d) Is it a fact that Extra Departmental Sub Offices in towns and cities were to be kept open from 10 A.M. to 5 P.M. like the regular Departmental Sub Offices?

(e) Is it a fact that the work of Extra Departmental Sub-Offices has throughout been found to be quite satisfactory?

Sir Gurunath Bewoor: (a) No.

(b) and (c). Yes.

(d) Yes, but not in all cases.

(e) On the whole, it is generally satisfactory. Where it is not, steps are being taken, either to change the Agent or to convert the office into a Departmental office.

PAY, ETC., OF SUB-POSTMASTERS.

608. *Qazi Muhammad Ahmad Kazmi: (a) Will the Secretary for Posts and Air please state whether it is a fact that the Departmental Sub-Postmasters get salaries up to Rs. 145 per mensem, Rs. 6 per mensem for house-rent, and Rs. 2 per mensem as contingency allowance for stationery, etc., while the Extra Departmental Postmasters get a total sum of Rs. 20 per mensem for all these items?

(b) Is it a fact that in the United Provinces during the period 1930 to 1937 about 40 per cent. of the Departmental Branch Offices were converted into Extra Departmental Branch Offices; if not, what was the extent of the change?

(c) Is it a fact that during 1930—33 the Circle Officers sent a circular to the effect that Extra Departmental Sub Postmasters shall remain under training for a period of five years during which they would be getting only Rs. 20 per mensem?

(d) Is it a fact that the circular was taken to mean that these persons would be later on engaged as lower grade clerks in post offices?

(e) Is it a fact that a large number of young persons below the age of 25 years joined the service of Extra Departmental Post Offices during this period, and have since then been working mostly to the satisfaction of the Department?

(f) Is it a fact that in spite of their duties which in their nature, duration and responsibility are no less than those of the Departmental Sub-Postmasters, they have not been allowed any increment in their allowances, no dearness allowance and even no other relief against the rise of prices?

Sir Gurunath Bewoor: (a) The facts are not as stated by the Honourable Member. The pay and contingency allowances of Departmental Sub-Post-

masters vary. They receive house rent allowance only when rent free quarters are not provided for them. Extra Departmental Sub-Postmasters are granted varying allowances up to Rs. 40 per mensem.

(b) I regret the information is not available and cannot now be collected.

(c) to (e). Information is being collected and will be laid on the table of the House in due course.

(f) Extra Departmental Sub-Postmasters are not ordinarily required to do the same amount of work as departmental Sub-Postmasters and their conditions of service, of which they were fully aware when they were employed, are different. The conditions of their service do not provide for the grant of increments. They are paid the same Dearness Allowance and are given the same food concessions as departmental officials.

Mr. Lalchand Navalrai: May I know if the former system under which village post offices used to be in the hands of some agencies still prevails? Is that going on still, or extra departmental people have been appointed everywhere in India?

Sir Gurunath Bewoor: I am sorry I do not understand what the Honourable Member means.

Mr. Lalchand Navalrai: I will make it clear. Formerly the post offices in the villages were worked by *munshis* or some other agencies which did not belong to the postal department. May I know if the same system is still going on, or the system in the whole of India has been changed into extra departmental men?

Sir Gurunath Bewoor: The same system is going on, and those very people are known as extra departmental postmasters.

Qazi Muhammad Ahmad Kazmi: With reference to the reply to part (a), may I know the maximum that extra departmental sub-postmasters are getting as allowance and pay?

Sir Gurunath Bewoor: Rs. 40.

Qazi Muhammad Ahmad Kazmi: Is the other figure that I have given regarding departmental sub-postmasters, *viz.*, Rs. 145, correct?

Sir Gurunath Bewoor: No. They vary.

Qazi Muhammad Ahmad Qazmi: What is the maximum and what is the minimum?

Sir Gurunath Bewoor: The minimum is Rs. 35 and the maximum might go up to Rs. 120.

Qazi Muhammad Ahmad Kazmi: With regard to part (c), did the Honourable Member say that no such circular was issued?

Sir Gurunath Bewoor: I said that information was being collected.

Qazi Muhammad Ahmad Kazmi: As regards part (f), are not the duties the same?

Sir Gurunath Bewoor: They are different.

MEMORIAL OF SUB-POSTMASTERS IN U. P. FOR INCREASE OF ALLOWANCE.

609. ***Qazi Muhammad Ahmad Kazmi:** (a) Will the Secretary for Posts and Air please state whether it is a fact that in the United Provinces these Extra Departmental Sub Postmasters submitted memorials for increase in their allowances, but all were turned down by the Postmaster General, Lucknow, by his letter E. S. II. X. 1095/LW, dated the 27th October, 1943, with the remark that "no increase in their allowance is justified"?

(b) Is it a fact that within a short time after this reply a number of Extra Departmental Branch Offices were turned into Departmental Sub Offices, thus increasing the expenses from Rs. 20 per mensem to Rs. 154 per mensem, for example, in Luckalme Sunderbagh, Advocate, Hamdam, and Victoria Ganj Extra Departmental Sub Offices were converted into Departmental Branch Offices?

(c) Is it a fact that during this period in the United Provinces alone about 20 Extra Departmental Branch Offices have been so converted into Depart-

mental Branch Offices and the Extra Departmental Sub Postmasters with about 12-14 years of service thrown out of employment?

Sir Gurunath Bewoor: (a) to (c). Information has been called for and will be laid on the table of the House in due course.

CONVERSION OF AN EXTRA DEPARTMENTAL SUB-POST OFFICE INTO A BRANCH POST OFFICE.

610. *Qazi Muhammad Ahmad Kazmi: (a) Will the Secretary for Posts and Air please state whether it is not a fact that, before an Extra Departmental Branch Office is converted into a Departmental Branch Office, statistics about the work and expenses are taken into consideration?

(b) What were the figures for the Post Offices at Sunderbagh, Advocate, Hamdam and Victoria Ganj Extra-Departmental Branch Offices, about the time they were converted into Departmental Branch Offices?

(c) Have Government considered the advisability of (i) giving the Extra-Departmental Sub-Postmasters some increment consistent with their work and (ii) providing them with work when Extra-Departmental Post Offices are abolished?

Sir Gurunath Bewoor: (a) Yes.

(b) Information is being collected and will be laid on the table of the House in due course.

(c) Extra departmental sub-postmasters are not whole-time employees of the Department and, as stated in reply to part (f) of Question No. 608 the conditions of their service do not provide for the grant of increments or for continuity of employment.

Qazi Muhammad Ahmad Kazmi: In view of the fact that these men do the same amount of work, have the Government considered the granting of some amenities to these people?

Sir Gurunath Bewoor: The very essence of the extra departmental system is that these agents are cheaper than departmental sub-postmasters and they have their own sources of income. If we find that in any office the work has increased and the conditions are similar to those of departmental sub-post offices, then we convert the office into a departmental sub-post office.

Qazi Muhammad Ahmad Kazmi: Is it not a fact that the conversion of an extra departmental sub-post office into a departmental sub-post office means an increase in expenditure of about three or four times the amount that was ordinarily spent before?

Sir Gurunath Bewoor: It means an increase of expenditure, but I cannot agree that it will be three or four times.

Mr. Lalchand Navairal: May I know from the Honourable Member if promotion is given to these people or any pension, if they were to work for the department for over 30 years?

Sir Gurunath Bewoor: No. They are part time employees; they are not whole time employees of the department.

Qazi Muhammad Ahmad Kazmi: May I know exactly the reason of such abrupt change in expenditure from extra departmental sub-post offices, and the reason for not giving some little increments to these people who are so hard worked that on account of the increase in work the office has to be changed from an extra departmental office into a departmental office?

Sir Gurunath Bewoor: I have explained before that extra departmental sub-post offices are opened when the amount of work involved is such as could be performed by a man who has his own private sources of income and he could perform his private work still, but when the work has increased we make the office into an ordinary sub-office just as there are any number of other offices. It is true that there is an increase of cost but that has to be faced, because there has been an increase of work. The Honourable Member is entirely misunderstanding the whole position of extra departmental system. The extra departmental system is adopted only when the amount of work is such that it will be wasteful to employ a whole time departmental officer.

Mr. President (The Honourable Sir Abdur Rahim): Next question.

RELIEF FOR EMPLOYEES OF POSTS AND AIR DEPARTMENT UNDER MILITARISATION SCHEME.

611. *Mr. Amarendra Nath Chattopadhyaya: Will the Secretary for Posts and Air please state if it is a fact that the employees were given to understand both in writing and verbally by the authorities before the Militarisation Scheme came into operation that considerable relief will be given to them by the introduction of the Scheme?

Sir Gurunath Bewoor: The terms and conditions of the Militarisation Scheme were published by the Postmaster General, Bengal and Assam Circle, in a special circular, dated the 16th June, 1943 and this circular was available to the staff before they volunteered for enrolment under the Militarisation Scheme. They were thus fully aware of the benefits and the relief they would receive under the scheme.

RELIEF FOR EMPLOYEES OF POSTS AND AIR DEPARTMENT UNDER MILITARISATION SCHEME.

612. *Mr. Amarendra Nath Chattopadhyaya: (a) Will the Secretary for Posts and Air please state the special reason for which the militarised staff are not allowed Military Compensation at 50 per cent. of their pay, as is done in the case of field service men after the introduction of the Militarisation Scheme?

(b) Is it a fact that the Ration Allowance in the Militarisation Scheme has been sanctioned at Re. 1-1-0 per day to Anglo Indians and at Re. 0-8-0 per day to the Indians?

(c) Is he aware that the social status and standard of living of the Indians are not in any way inferior to that of the Anglo-Indians?

(d) Are Government agreeable to abolish this distinction and raise the Ration Allowance of the Indians as well to Re. 1-1-0 per day?

Sir Gurunath Bewoor: (a) Members of the Posts and Telegraphs Department employed in Field Postal Units serving outside India or in field service areas within India are granted military compensatory allowance at fifty per cent. of their pay, but while serving in other areas within India they draw only twenty-five per cent. allowance. Staff enrolled in the Posts and Telegraphs Defence of India Units in Bengal and Assam continue in their civil posts and are not liable to transfer outside the Circle, but they draw compensatory allowance at twenty-five per cent. of their pay and are also eligible for Dearness Allowance as in force on 1st January, 1943, an allowance which is not granted to men with the Field Postal Units.

(b) Yes.

(c) Government are aware that there is a difference but as to whether they are inferior or not is a matter of opinion.

(d) No.

Mr. Lalchand Navalrai: May I know whether they get their ordinary promotions in the line itself in their own department when they are working in the military?

Sir Gurunath Bewoor: Yes.

Mr. Amarendra Nath Chattopadhyaya: With regard to (b), why should this distinction be maintained?

Sir Gurunath Bewoor: The conditions of service lay down that the staff will get rations according to their class or ration allowance in lieu thereof. Indians get rations according to the Indian ration list and Anglo-Indians get rations according to the British list, and when rations are not issued in kind to the staff, naturally there is a difference in the amount of cost paid in lieu because the values of the two rations are different.

ADDITIONAL STAFF FOR R. M. S. "C" AND "E" DIVISIONS.

613. *Mr. Amarendra Nath Chattopadhyaya: (a) Will the Secretary for Posts and Air please state if it is a fact that the statistical figure shows that additional hands are necessary in almost all sections of the R. M. S. "C" and "E" Divisions?

(b) Is it a fact that double and triple duties are going on in the R. M. S. "C" and "E" Divisions for a long time?

(c) Is it a fact that there are considerable vacancies in these Divisions and temporary hands are being taken on the understanding that their services would be terminable after the war?

Sir Gurunath Bewoor: (a) and (b). Government have no information and do not propose to call for it. A copy of the question is, however, being sent to the Postmasters General concerned as they are fully competent to deal with the matter.

(c) Under existing orders, all recruitment to posts under the Central Government is ordinarily required to be on a temporary basis.

DESIRABILITY OF MAKING MOTOR TRAFFIC A CENTRAL SUBJECT AFTER THE WAR

614. *Mr. K. S. Gupta: Will the Honourable Member for War Transport please state whether, in view of a large number of motor vehicles and trained drivers available at the end of the war, the Government of India have considered the utility of making motor traffic, a central subject and automatic conversion of Provincial authorities as agents of the Central Government?

The Honourable Sir Edward Benthall: With your permission, Sir, I will reply to questions Nos. 614 and 615 together.

The considerations to which the Honourable Member refers in support of his proposals fall within the scope of post war reconstruction plans for road development and transport, and will be examined in consultation with Provincial Governments. I regret that I am unable at this stage to make any statement as to the policy which Government will adopt as a result of this examination.

DESIRABILITY OF SETTING UP A ROAD BOARD.

†615. *Mr. K. S. Gupta: (a) Will the Honourable Member for War Transport please state whether, in view of an expectation of considerable development of agriculture and industry after the war and increase of motor traffic to a great extent, the Government of India would consider the formation of a Road Board on the lines of the Railway Board?

(b) Would not such a Road Board act as a regulator of road traffic and also of rail-road competition?

SELECTION FOR POST OF ASSISTANT COAL SUPERINTENDENT IN STATE RAILWAY COAL DEPARTMENT.

616. *Mr. H. A. Sathar H. Essak Sait: (a) Is the Honourable Member for Railways aware that an advertisement was published in the *Dawn*, dated the 22nd June, 1948, calling for applications for the post of Assistant Coal Superintendent in the Coal Department of State Railways, and that it was stated therein that this post was reserved for a Muslim? If so, did Muslim candidates possessing all the qualifications mentioned in the advertisement apply?

(b) Was any Muslim selected? If not, why not?

(c) Was the Non-Muslim selected the senior-most among the candidates?

(d) Was there any special reason for selecting the person who finally got the post?

The Honourable Sir Edward Benthall: (a) The reply to the first part is in the affirmative. As regards the second part, I am obtaining information and a further reply will be laid on the table of the House.

(b) No, because in the opinion of the F. P. S. C. no such candidate was available.

(c) The candidate selected was placed first in the order of merit by the F. P. S. C.

(d) No, except that he was considered the most suitable by the F. P. S. C.

Mr. H. A. Sathar H. Essak Sait: With regard to part (d) could my Honourable friend enlighten me whether the appointment of this particular officer has shut out some senior people?

The Honourable Sir Edward Benthall: Not that I am aware of.

†For answer to this question, see answer to question No. 614.

MUSLIMS AS CAMP CLERKS IN THE OFFICE OF POSTMASTER GENERAL, U. P.

617. *Mr. Muhammad Azhar Ali: (a) Will the Secretary for Posts and Air kindly state if it is a fact that there are six posts of camp clerks in the office of the Post Master General United Provinces, Lucknow, and none of them has been given to a Muslim? If the reply be in the affirmative, what are the reasons therefor?

(b) What steps do Government now propose to take to give Muslims their full share in the cadre of stenographers?

Sir Gurnath Bewoor: (a) and (b). Information has been called for and will be laid on the table of the House in due course.

METHOD OF FILLING POSTS OF STENOGRAPHERS IN POSTS AND AIR DEPARTMENT.

618. *Mr. Muhammad Azhar Ali: Will the Secretary for Posts and Air please state what the practice is for filling posts of stenographers? Is it done through the medium of an examination?

Sir Gurnath Bewoor: It is presumed that the Honourable Member is referring to the posts of stenographers in the office of the Postmaster General, United Provinces, Lucknow. There is no separate cadre of stenographers. Clerks employed in the establishment of the Circle Office are selected and appointed to work as stenographers, provided they are fully acquainted with stenography. This knowledge of stenography is tested by the appointing officer.

Mr. Muhammad Azhar Ali: My question was whether there was any examination?

Sir Gurnath Bewoor: I explained that any existing clerk in the office, if he knows stenography, is selected and as regards the testing of his knowledge of stenography, that testing is done by the appointing officer.

APPOINTMENTS TO POSTS CARRYING ALLOWANCES IN CIRCLE POST OFFICES IN U. P.

619. *Mr. Muhammad Azhar Ali: (a) Will the Secretary for Posts and Air please state if it is a fact that the Director General of Posts and Telegraphs had to issue clear orders that appointments on allowance posts, including camp clerks, in circle offices, should be made from all communities, that is there should not be any preponderance of any one class or community on such posts?

(b) What steps have been taken by the Post Master General, United Provinces, to enforce the orders of the Director General in question? If not, why not?

(c) Is it a fact that there is no likelihood of the occurrence of the next vacancy for at least ten years?

Sir Gurnath Bewoor: (a) In October 1943 the Director General, Posts and Telegraphs issued instructions to all Heads of Circles pointing out to them the necessity of preventing preponderance of any one class or community in the group of clerks who are employed as stenographers.

(b) and (c). Information has been called for and will be laid on the table of the House in due course.

PREPONDERANCE OF MUSLIM OFFICERS IN THE PUNJAB POSTAL CIRCLE.

620. *Bhai Parma Nand: (a) Will the Secretary for Posts and Air please state if it is a fact that all the staff and the Establishment Section of the office of the Director General, Posts and Telegraphs, New Delhi, are under the charge and control of Muslim officers?

(b) Is it not a fact—

(i) that the Post Master General, Punjab, is a Muslim;

(ii) that the officiating Director of Telegraphs, Punjab Circle, is also a Muslim;

(iii) that three Divisional Engineers, Telegraphs, out of five are also Muslims, in the Punjab; and

(iv) that the three Divisional Engineers out of five are on extension of service, and also one of the three Muslim Divisional Engineers, Telegraphs, is on second extension?

(c) Is it a fact that Post Masters, Delhi and New Delhi, the Deputy, Accountant General, Posts and Telegraphs, Delhi, and the Accounts Officer, Telephone Revenue, Delhi, are also Muslims?

Sir Gurunath Bewoor: (a) The three sections of the office mentioned by the Honourable Member are in the charge of Muslim officers but they are under the control of a non-Muslim officer.

(b) Yes, except that at present, two and not three Divisional Engineers are Muslims. I may, however, add for the information of the Honourable Member that postings are not made on communal grounds and that if certain class I officers posted in the Punjab and N.-W. F. Circle at present in the exigencies of service are Muslims, such officers in other circles are either all non-Muslims or preponderantly non-Muslims.

(c) Yes, except that the Deputy Accountant General, Posts and Telegraphs, Delhi is not a Muslim.

Mr. Muhammad Nauman: With reference to part (a), does the Honourable Member know that all the establishment sections of the Posts and Telegraphs Directorate are under a Senior Deputy Director General who is a non-Muslim?

Sir Gurunath Bewoor: That is exactly what I said. The Honourable Member did not hear my reply.

Mr. Lalchand Navalrai: May I know from the Honourable Member if the Member in charge is also a Mussulman?

Sir Gurunath Bewoor: That is within the knowledge of the Honourable Member himself.

OPENING OF NEW TELEPHONE AND TELEGRAPH ENGINEERING DIVISIONS.

621. *Bhai Parma Nand: (a) Will the Secretary for Posts and Air please state if it is a fact that a new Telephone Engineering Division has been opened in Delhi and a Telegraph Engineering Division at Ambala? If so, what extra expenditure has been incurred on this account?

(b) Is it a fact that certain Telephone Inspectors (non-ministerial staff) in the Punjab Circle have been given extension of service after the age of superannuation, thus blocking promotion of junior officers? If so, why?

(c) Is it a fact that the Director General, Posts and Telegraphs, has sometime back issued orders prohibiting the transfers of Head Clerks and other staff from one station to another for the duration of the war?

Sir Gurunath Bewoor: (a) The facts are not exactly as stated by the Honourable Member. Owing to the considerable growth of telephone work in the Delhi Telegraph Engineering Division, it was decided to create a Delhi Telephone Division with headquarters at Delhi and a Telegraph Engineering Division with headquarters at Ambala. Exact information as to the extra expenditure incurred is not available since the new arrangement has come into force only from 1st November, 1943, but the creation of the new division was estimated to involve an additional cost of approximately Rs. 30,000 per annum.

(b) So far as information is available, only one Telephone Inspector in the Punjab Circle has been retained in his post after the age of superannuation. This has been done in the interests of the public service.

(c) No. The orders issued were that the regular rotational transfer of Head Clerks in Offices of Divisional Engineers Telegraphs, every four years should not be given effect to during war time.

Mr. Muhammad Nauman: With reference to part (b), may I know what is the number of Muslims out of this total of nine?

Mr. Lalchand Navalrai: All.

Sir Gurunath Bewoor: I said that only one Inspector had been given an extension. Where are the nine?

Mr. Muhammad Nauman: What is the total number of Telephone Inspectors and how many are Muslims. I am not referring to those who have been given extension.

Sir Gurunath Bewoor: That does not arise out of the question. The question asked was whether certain Telephone Inspectors have been given extension of service and I said that one man had been given an extension.

Maulvi Muhammad Abdul Ghani: What is the number of extensions given in 1940 and 1941?

Sir Gurunath Bewoor: I have no information.

TRANSFER OF CERTAIN CLERICAL STAFF TO TELEGRAPH ENGINEERING DIVISION, AMBALA.

622. *Bhai Parma Nand: (6) Will the Secretary for Posts and Air please state if it is not a fact that the Post Master General, Lahore, ordered that volunteers should be called for for transfer to Ambala in connection with the formation of a Telegraph Division there, and that some of those who actually volunteered have not been transferred, while others who did not volunteer have been forcibly ordered to go? Do Government propose to place facts and figures before the House and state on what basis and principles the transfer of clerical staff has been made?

(b) Are there any standing orders in the Posts and Telegraphs Department to the effect that while ordering such transfers the principle of "longest stay" in one station should be followed? If so, has this principle been kept in view; while ordering the clerical staff of the Telegraph Engineering Division from Delhi to Ambala? If not, why not?

Sir Gurunath Bewoor: (a) It is a fact that the Postmaster General, Punjab and N.-W. F. Circle, ordered that volunteers should be called for for transfer to Ambala and that if a sufficient number of volunteers were not forthcoming, others should be selected. All those who volunteered were transferred. As there were only 10 volunteers for transfer and 13 officials were required for Ambala, 3 more officials from among those who did not volunteer were selected to complete the quota. The selection was made on the principle that both the Delhi and the Ambala Engineering divisions should have a fair proportion of experienced and competent clerks.

(b) The reply to the first part is in the negative. The second part does not arise. As regards the third part, Government do not consider it necessary to lay down any hard and fast rules of procedure for transfers, which must be governed by administrative needs and convenience.

QUALIFICATIONS FOR RECRUITMENT OF SUPERIOR TELEGRAPH ENGINEERING OFFICERS.

623. *Bhai Parma Nand: (a) Will the Secretary for Posts and Air please state the minimum academical and technical qualifications on which recruitment of Superior Telegraph Engineering Officers is made, and whether those qualifications were waived in the case of a Muslim Divisional Engineer, Telegraphs, in the Punjab Circle at present?

(b) If the reply to the concluding portion of (a) be in the affirmative, what are the reasons for preferential treatment in the present case?

Sir Gurunath Bewoor: (a) and (b). Recruitment to the grade of Assistant Divisional Engineers, Telegraphs in the Telegraph Engineering Service, Class I, is made partly from direct recruits on the results of a competitive examination held by the F. P. S. C. and partly by promotion of Assistant Engineers selected on the advice of the F. P. S. C. The minimum academic and technical qualifications required of a candidate to be eligible for the competitive examination are contained in rule 13 of P. & A. Department Resolution No. S-97-2/45, dated the 6th May, 1943, and appendices I and II thereto, which were published in the *Gazette of India*, dated the 15th May, 1943. As no such qualifications are required of officers promoted to that service, the latter portion of part (a) and part (b) do not arise.

GAZETTED AND SUPERVISORY POSTS IN THE PUNJAB POSTAL CIRCLE.

624. *Bhai Parma Nand: Will the Secretary for Posts and Air please state the number of gazetted and supervisory posts sanctioned in each Branch of the Posts and Telegraphs Department in the Punjab Circle, and the number filled by Muslims, Hindus and other communities?

Sir Gurunath Bewoor: The information is not readily available and cannot be collected as this would involve an expenditure of time and labour not justified in war time.

EXTENSIONS OF SERVICE GRANTED TO MUSLIM DEPUTY DIRECTOR GENERAL AND ASSISTANT DEPUTY DIRECTOR GENERAL, POSTS AND TELEGRAPHS.

†625. ***Bhai Parmanand:** Will the Secretary for Posts and Air please state if it is a fact that recently further extensions of service have been granted to the Muslim Deputy Director General of Posts and Telegraphs, and the Muslim Assistant Deputy Director General, Posts and Telegraphs, whereas no extension of service has been allowed to the senior Deputy Director General, Posts and Telegraphs, who is a non-Muslim? If so, what are the reasons for the differential treatment in this case?

Sir Gurunath Bewoor: The facts are not as stated by the Honourable Member. A further extension of service has recently been granted to the Muslim Deputy Director General, Posts and Telegraphs. No further extensions of service have been granted to the Muslim Assistant Deputy Director General, Posts and Telegraphs, or the Parsi Senior Deputy Director General, Posts and Telegraphs, who were both granted extensions of service last year. The Hindu Deputy Director General, Posts and Telegraphs, has also recently been granted an extension of service. Thus, there has been no discriminatory treatment given to Muslims. Extensions of service are granted solely in the interests of the public service and not in the interests of the individual officers concerned.

UNSTARRED QUESTIONS AND ANSWERS.

PROMOTION OF GUARDS ON NORTH WESTERN RAILWAY.

174. **Mr. Muhammad Azhar Ali:** (a) Has the attention of the Honourable Member for Railways been drawn to Resolution No. 1, adopted at the Annual General Meeting of the North Western Railway Guards' Association, held at Lahore on the 5th December, 1943, *vis.*, "This meeting is of the considered opinion that the revised methods of promotion to Grade III is very unsatisfactory and requests the North Western Railway Administration to grant promotions by strict Pooled Seniority like other non-selection posts and the present system of Divisional and Central selections or interviews be abolished", and state how promotions from grade to grade in non-selection posts are made?

(b) Is there any difference in procedure of promotions amongst Guards and other categories in Transportation Group? If so, what is that, and the reasons therefor?

(c) Is promotion from one grade to another in non-selection posts made in order of seniority *cum* merit?

The Honourable Sir Edward Benthall: (a) Promotion for non-selection posts are made on seniority among those considered fit for the promotion.

(b) No, except that the staff are interviewed at the Headquarters Office to determine their fitness. This is necessary on account of the nature of the duties of guards.

(c) Yes.

WORKING HOURS OF CERTAIN STAFF ON EAST INDIAN AND NORTH WESTERN RAILWAYS.

175. **Mr. Muhammad Azhar Ali:** Will the Honourable Member for Railways please state the working hours prescribed for the staff on the East Indian and North Western Railways to whom the Hours of Employment Regulations are not applicable? If no working hours are prescribed, what are the reasons therefor?

The Honourable Sir Edward Benthall: It is not understood what particular staff is referred to. In all cases where this is possible the hours of work are laid down.

REST FOR GUARDS AFTER DUTY PERIOD ON NORTH WESTERN RAILWAY.

176. **Mr. Muhammad Azhar Ali:** (a) Has the attention of the Honourable Member for Railways been invited to subject No. 2, Part II-overtimes to Guards, of the Minutes of the meeting held between the General Manager,

†Answer to this question laid on the table, the questioner having exhausted his quota.

North Western Railway, and a deputation of the United Union of the North Western Railway Workers at Lahore on the 4th October, 1943, and circulated under No. 961-E/475, dated the 12th October, 1943, by the General Manager, *vis.*, "it is not the intention to fix twelve hours as the absolute maximum period of duty after which a Guard can claim rest", and state the absolute maximum period prescribed for the working of trains by Guards normally and not in exceptional occasions?

(b) Are Guards entitled to claim rest in ordinary working of a train after twelve hours? If not, what are the reasons therefor?

(c) What is the result of the arrangements made to give rest to Guards after twelve hours' working?

The Honourable Sir Edward Benthall: (a) The maximum number of hours on duty after which a Guard can claim rest is 16.

(b) No, because it is not considered necessary to lower the present limit.

(c) Government are not aware of any such arrangements.

NON-PAYMENT FOR OVERTIME WORK TO STAFF OF DELHI DIVISION, NORTH WESTERN RAILWAY.

177. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please state:

(a) if it is a fact that the staff on the North Western Railway, Delhi Division, when required to work over and above the hours of employment are never paid overtime earned by them; and

(b) if the reply to part (a) be in the affirmative, the reasons therefor?

The Honourable Sir Edward Benthall: (a) No.

(b) Does not arise.

PRESS CORRESPONDENTS GIVEN RAILWAY PASSES.

178. Mr. Ananga Mohan Dam: Will the Honourable Member for Railways please state the names of the Press Correspondents of the newspapers and of the news agencies or other persons connected with the Press whom Railway Passes (description to be given) for travelling are given by the Railway Board or by the Railway Administration, together with the purpose for which such passes are to be used, and the action provided for abuse thereof? If no action has been provided, what are the reasons therefor?

The Honourable Sir Edward Benthall: During the year 1943, the Railway Board have issued one First Class Card Pass available over State Railways in favour of each of the following:

(i) one representative of Reuters.

(ii) one representative of the United Press of India.

(iii) one representative of the Associated Press of India.

(iv) one representative of the Orient Press of India.

The S. I. Railway issue six single journey First class passes yearly to each of the following:

(1) The Editor, Railway Herald;

(2) The Editor, Wednesday Review; and

(3) The Editor, Indian Railway Magazine, Madras.

The B., B. & C. I. Railway issue a First class card pass to a representative of Reuters.

Other Class I Railways did not issue any passes to representatives of Press Agencies or the Press during 1943.

These passes have been given in return for services rendered in connection with publicising Railways and their activities, and no question of abuse arises.

OLD GRADES TO CERTAIN TRAVELLING TICKET EXAMINERS ON EAST INDIAN RAILWAY.

179. Mr. Ananga Mohan Dam: Will the Honourable Member for Railways please state if it is a fact that in July, 1934, Government gave an assurance to this Honourable House that the Travelling Ticket Inspectors now designated as Travelling Ticket Examiners on the East Indian Railway will be promoted

in their old grades on occurrence of vacancies and in order of seniority (page 276 of the Debates)? If so, how many of them have so far been promoted in their old grades? If not, why is not the assurance honoured?

The Honourable Sir Edward Benthall: Yes, as regards the first part. As regards the second part the Honourable Member is referred to the reply to Unstarred Question No. 22 asked by Mr. Muhammad Azhar Ali in the Legislative Assembly on 12th November, 1943.

NO DUTY ROSTER FOR TICKET COLLECTORS AT JULLUNDUR CANTONMENT RAILWAY STATION.

180. Mr. Ananga Mohan Dam: Will the Honourable Member for Railways please state if it is a fact that no duty roster is prescribed for the working of the Ticket Collectors at Jullundur Cantonment Railway Station on the North-Western Railway under Hours of Employment Regulation? If not, why not?

The Honourable Sir Edward Benthall: The reply to the first part is in the negative. The second part does not arise.

INADEQUATE NUMBER OF TICKET COLLECTORS AT JULLUNDUR CANTONMENT RAILWAY STATION.

181. Mr. Ananga Mohan Dam: Will the Honourable Member for Railways please state :

(a) if it is a fact that the passenger traffic at Jullundur Cantonment Railway Station on the North Western Railway has considerably increased during the preceding three years or so;

(b) if it is a fact that the strength of the Ticket Collectors for the direction and guidance of passengers or to control the traffic has not been increased; and

(c) whether Government propose to increase their strength, if not, why not?

The Honourable Sir Edward Benthall: (a) Yes.

(b) Government understand that additional Ticket Collectors are now being posted to Jullundur Cantonment.

(c) Does not arise.

MUSLIMS TAKEN AS TRAFFIC SUPERINTENDENTS, ETC., IN DELHI DIVISION.

182. Mr. Ananga Mohan Dam: Will the Honourable Member for Railways please state :

(a) the number of Muslims taken into selection of T.S., T.I. and A.T.I. on the Delhi Division during the preceding four years; and

(b) the number of Muslims given exemption from Course P-3, against the total number of exemptions given to-date on the Delhi Division of the North Western Railway; if no Muslim has been given exemption, the reasons therefor?

The Honourable Sir Edward Benthall: (a) It is not understood what is meant by A. T. I. No selections were held in the Delhi Division during the last four years for the other posts mentioned.

(b) No employee was given exemption from Course P-3.

LOWER INITIAL PAY OF EMPLOYEES IN THE SUPERIOR SERVICES (NON-GAZETTED) ON STATE RAILWAYS.

183. Mr. Ananga Mohan Dam: Will the Honourable Member for Railways please state :

(a) if it is a fact that initial starting pay of a lower grade clerk is Rs. 60 plus dearness allowance for offices of the Government of India including attached and subordinate offices;

(b) if it is a fact that this initial starting pay of an employee in the Superior Services (Non-Gazetted) on State-Managed Railways is Rs. 30 plus dearness allowance according to the zones; and

(c) if the replies to parts (a) and (b) be in the affirmative, the reasons for this differential treatment?

The Honourable Sir Edward Benthall: (a) Yes, as far as is known.

(b) Yes, generally.

(c) The differences have always existed, the rate of pay offered on Railways has hitherto been adequate to attract a sufficient number of suitable candidates for employment.

*** DEARNESS ALLOWANCE TO RAILWAY SERVANTS ON AREA BASIS.**

184. Mr. Ananga Mohan Dam: Will the Honourable Member for Railways please state :

(a) if it is a fact that the prices of foodgrains all over India are controlled by the Government;

(b) if it is a fact that the prices of foodgrains all over India are universal both in urban and rural areas;

(c) if the replies to parts (a) and (b) be in the negative, the correct fact, and the prices in different urban and rural areas, respectively; and

(d) if the replies to parts (a) and (b) be in the affirmative, the reasons for paying the Railway Servants the dearness Allowance on Area basis?

The Honourable Sir Edward Benthall: (a) and (b). No.

(c) There is no general price control of foodgrains. As regards the second part, it is regretted that these details are not available, but even where price controls exist, the prices are not the same everywhere.

(d) Does not arise.

MEMORIAL FOR DEARNESS ALLOWANCE BY DELHI-SHAHDARA RAILWAY STATION EMPLOYEES.

185. Mr. Ananga Mohan Dam: Will the Honourable Member for Railways please state :

(a) if he has received Memorials, dated the 25th September, 1943, from employees on the North Western Railway working at Delhi Shahdara Junction regarding Dearness Allowance; if so, what action has been taken thereon; if no action has been taken, the reasons therefor;

(b) if it is a fact that the Honourable Sir Mohammad Azizul Haque has informed this House that Shahdara Town derives its supplies of day to day necessities of life from Delhi City under permits issued by the Commodity Control Officers, under the Chief Commissioner of Delhi; and

(c) whether Government now propose to include Shahdara with Delhi and New Delhi Area; if not, why not?

The Honourable Sir Edward Benthall: (a) No, the other parts do not arise.

(b) No, what the Honourable Sir Muhammad Azizul-Huque stated was that Shahdara derived part of its supplies in the manner described.

(c) No, because they do not consider there is any justification for doing so.

RECOGNITION TO THE UNITED UNION OF NORTH WESTERN RAILWAY WORKERS.

186. Mr. Ananga Mohan Dam: Will the Honourable Member for Railways please state :

(a) if it is a fact that the General Manager, North Western Railway, gave recognition to the United Union of the North Western Railway Workers on the condition that all the constituent Unions would cease their separate existence;

(b) if it is a fact that about 90 per cent. of the constituent Unions with separate existence have seceded from the United Union;

(c) the date on which the said United Union was registered under the Trade Unions Act by the Registrar;

(d) the total number of constituent Unions on the North Western Railway, and how many are affiliated with the United Union; and

(e) whether Government propose to withdraw the recognition for non-fulfilment of the condition; if not, why not?

The Honourable Sir Edward Benthall: (a) Yes, except that the recognition is provisional.

(b) No, but four out of the seven Unions affiliated in the beginning have Government are informed, seceded.

(c) 8th February, 1940.

(d) Seven; three are now affiliated to the United Union.

(e) No; in the hope that the conditions may yet be fulfilled.

MOTION FOR ADJOURNMENT.

SALE AT PROFIT IN INDIA OF GOLD PURCHASED IN SOUTH AFRICA BY THE UNITED KINGDOM.

Mr. President (The Honourable Sir Abdur Rahim): Notice has been given by Mr. Avinashilingam Chettiar to move the adjournment of the business of the House to discuss a definite matter of urgent public importance, namely: the connivance of the Government of India in allowing the United Kingdom to sell gold purchased in South Africa for £8 8s. at the rate of £14 per ounce in India, as brought out in the reply of the Minister of Finance of the South African Union (as reported in *The Hindustan Times* of today).

Has not this matter been discussed in the Budget?

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadian Rural): Sir, I may point out to Rule 48 in the Manual of Business and Procedure which says:

"The motion must not revive discussion of a matter which has been discussed in the House".

Mr. President (The Honourable Sir Abdur Rahim): I asked the Honourable Member if this question has not been discussed since the Budget was introduced?

Mr. T. S. Avinashilingam Chettiar: It was generally referred to and the Government may or may not reply.

Mr. President (The Honourable Sir Abdur Rahim): Have not the Government replied?

The Honourable Sir Jeremy Raisman (Finance Member): The question is exactly the same which has been referred to in my Budget speech and which has been mentioned by several speakers in the course of this debate and it is still relevant to this debate.

Mr. President (The Honourable Sir Abdur Rahim): I hold that the motion is not in order.

STATEMENT OF BUSINESS.

The Honourable Sir Sultan Ahmed (Leader of the House): Sir, we had been anxious to conclude the debate on the Consideration Motion of the Finance Bill today, but I am afraid it has not been possible. It has, however, been agreed by all Parties that the debate should conclude on Monday next, that the whole Monday should be reserved for such Party Leaders as do not speak today and for the Honourable the Finance Member's reply, and that Mr. Lalljee and, if possible, Sir Henry Richardson, should have an opportunity of speaking today. It is also, I think, agreed that Questions should be dispensed with on Monday and I would ask you, Sir, to direct accordingly.

There is now no prospect of the business of the Session being concluded by the 31st March and I would, therefore, ask you, Sir, to direct the House to sit for the transaction of official business on Monday, Tuesday and Wednesday, the 3rd, 4th and 5th of April.

Mr. H. A. Sathar H. Essak Salt (West Coast and Nilgiris. Muhammadan): On a point of information, Sir. It is said that the Parties have agreed. I believe my Honourable friend himself and the Leaders have agreed to this arrangement and that he had a talk with the Leaders.

Mr. President (The Honourable Sir Abdur Rahim): I understand that an agreement has been arrived at as stated by the Honourable the Leader of the House and, as requested by him, I am prepared to dispense with the questions on Monday next if it is agreeable to the House and I direct that the House will sit on the 3rd, 4th and 5th April.

Mr. Lalchand Navalrai (Sind: Non-Muhammadian Rural): May I ask, Sir, whether on Monday other speakers, who are the back benchers, will also be allowed to speak or whether it will be reserved wholly for the Leaders of the Parties?

Mr. President (The Honourable Sir Abdur Rahim): The Leader of the House has made the point quite clear.

Mr. N. M. Joshi (Nominated Non-Official): If the Leaders do not choose to take all the time, are the other Members prevented from speaking?

Mr. President (The Honourable Sir Abdur Rahim): Does the Honourable Member mean after the reply of the Finance Member?

Mr. N. M. Joshi: No, even before.

Mr. President (The Honourable Sir Abdur Rahim): How am I to know as to how long he will speak? Does not the Honourable Member follow me? If the Honourable the Finance Member has replied, then there can be no question of any other Member speaking afterwards. Until he replies, the Chair will not be in a position to know—nobody will be in a position to know—what time will be left.

Mr. N. M. Joshi: If there is a closure, he has a right to speak. But I was thinking of the right of Members.

Mr. President (The Honourable Sir Abdur Rahim): I have understood from the Leader of the House that the Finance Member would begin his reply after the Leaders of Parties have spoken.

The Honourable Sir Sultan Ahmed: Yes.

Mr. N. M. Joshi: But if the closure is applied

Mr. President (The Honourable Sir Abdur Rahim): Order, Order; that is the arrangement. The House will now resume the consideration of the Finance Bill.

THE INDIAN FINANCE BILL—*contd.*

Sir Cowasjee Jehangir (Bombay City: Non-Muhammadan Urban): Mr. President, while speaking yesterday on the Finance Bill, I was dealing with the Government's policy of inflation and had pointed out the three methods Government were employing and which had been so successfully employed in England. I had also pointed out the difference in the conditions prevailing in England and in India and had, therefore, come to the conclusion that anti-inflationary measures, equally applied to all classes, would only result in partial success. The main point, therefore, I tried to stress was that anti-inflationary measures should be especially aimed at those classes who are better off due to the conditions of war. Just before I closed my remarks, I was dealing with price controls. Price controls are the sheet-anchor of Government's remedies against inflation.

Now, Sir, I am quite aware of the great difficulties in a country like India of enforcing controls. Government of India alone are not concerned. They may lay down the policy but that policy has got to be followed by the Provincial Governments, and I have a feeling that there may be some Provincial Governments who do not take this question very seriously. I would request the Honourable the Commerce Member and the Honourable the Food Member to impress upon the Provinces and their Governments, whether they be under Section 93 or under a Ministry, that this question of controls is the most important question before the country. Party politics are well and good in times of peace, but let not party politics come in the way of these serious measures of controls, which are so urgently necessary in the interests of the poorest in the country as well as in the interests of the rich.

We had one example given to us the other day by an Honourable Member who represents Assam. He said that in a big city in Assam standard cloth was not available and that the price of the standard cloth was not printed on the cloth and that the retail seller demanded an exorbitant price. These things should not happen now. There is any amount of standard cloth available in the city of Bombay to be railed anywhere that the Honourable the Commerce Member may desire. I think it is time that such complaints should not come before this Honourable House and that in every part of India at least standard cloth should be available at the controlled prices. It is no use trying to make the manufacturer reduce his price which he is willing to do and has co-operated with Government in doing so, if the man in the street cannot get that standard cloth at the price marked and fixed by Government. The fault lies with the Provincial Governments and not with the Government of India. Therefore,

my point is strengthened* by the instance given by the Honourable Member for Assam. There are many such instances with regard to food and with regard to cloth throughout India and once again I will state that the sheet-anchor of Government's measures is the reduction of prices of all necessities of life. There are black markets even in England, but the great difference between the black markets in England and those that have come into existence in this country is this. The black market in England is taken advantage of by people who have got a little more cash than others, and who want to get a little more advantage than the generality of people in England. They want to get a little more clothes, a little more food and they go into the black market and pay black market prices for the articles they want. In India, the position today is that even the poorest are compelled to go into the black market for the necessities of life. They cannot do without it and the black market flourishes under these conditions. Black markets will exist whatever Government do. But the point is that you must bring the black markets to the condition in which they are in England, that is, again I will repeat that the poorest need not go to the black markets for the mere necessities of life. The prices of some foodstuffs have increased because they are not controlled; meat has increased in price, the price of fowl has increased, the price of eggs has increased, all have risen to the extent that the middle class man now cannot afford to buy. I have had instances brought to me, sad and tragic instances of a man earning up to Rs. 500 a month who cannot afford to give his children the food that he gave them before war times on account of the exorbitant prices. I might draw the attention of the Government that in certain big cities, those articles which are not controlled and perhaps need not be controlled have risen in price due to the great demand of the army who go into the markets the first thing in the morning—as in the city of Bombay—and buy up such things as are not controlled, like fowl, eggs and certain best classes of meat. I do not know what the remedy is. I bring this point to the attention of Honourable Members on the Government Benches for such remedies as they may consider necessary. I will not deal any more with this question of cost of living because it has been dealt with and impressed upon Government from so many quarters. The last Honourable Member who spoke, Mr. Chapman-Mortimer, also placed this remedy against inflation as the main remedy in this country.

Now, I will come to the second measure suggested by Government. To put it in the words of the Honourable the Finance Member himself:

"What matters from the point of view of preventing inflation is that the reabsorption of the purchasing power should be adequate to the total Government outlay and our troubles have arisen from the fact that we have not at all times been able to raise sufficient rupees from the market to finance the recoverable war expenditure."

Now, Sir, if that is one of the remedies for inflation, we also know that during the last twelve months, the Honourable the Finance Member was able to raise by loans Rs. 279 crores as against 93 crores in the previous twelve months. That is a very big rise. May I ask him what has been the anti-inflationary effect of that money raised by him? Theories are all very well and good.

The Honourable Sir Jeremy Raisman (Finance Member): It has checked the rise which was going on in prices.

Sir Cowasjee Jehangir: Theories are all very well and good, but the test of the pudding is in the eating, and although I am in favour of strongly advocating getting more and more loans by persuading people or forcing people to give more and more

Dr. P. N. Banerjee (Calcutta Suburbs: Non-Muhammadan Urban): Forcing!

Sir Cowasjee Jehangir: Yes, I am in favour of forcing, but I will come to that point later on. I would point out to the Honourable the Finance Member that there is a doubt whether this big money has an anti-inflationary tendency. For such borrowings to have a real anti-inflationary tendency, it is necessary to

[Sir Cowasjee Jehangir.]

ascertain from where these borrowings come. If it is money which was never intended to be spent but to be invested in real estate or in such commodities as gold, it cannot have an anti-inflationary effect to the extent the Honourable Member believes. Money must be drawn from that class of people who would spend it in excess of their maximum requirements and thus cause inflation. The main object to be attained is to reduce the power of the small purchaser to purchase goods not really required by him, and not so much the drawing out of the money which would otherwise be more or less harmless from an inflationary point of view. These are the theories that are now being applied by economists.

The Honourable Sir Jeremy Raisman: Will the Honourable Member tell me how you know whether any particular money will be used for spending or for investment; how do you know?

Sir Cowasjee Jehangir: Big money cannot be used for ordinary expenditure on the necessities of life. The Honourable Member has in this very budget made provision for extracting big money from companies. He has also made provision for extracting money by way of taxation all over the country.

Dr. P. N. Banerjee: From all classes of people.

Sir Cowasjee Jehangir: Yes, from all classes of people. Now, Sir, my point is this, that the extraction of big money will not have an anti-inflationary effect, it will have only a secondary effect and I would not rely upon getting these very big loans to have that anti-inflationary effect which is so necessary just now. Now, Sir, the big money that he has got and which he should get and which should come to the treasury will be sterilised in any case. It may go into the current account with banks, or it may be invested in gold or real estate. That will be sterilised so far as inflation is concerned. Therefore, when he makes a general statement as this, I must submit, it does not apply to inflation.

The Honourable Sir Jeremy Raisman: What about the people to whom money is given for real estate and so on. Does not that money become free purchasing power?

Sir Cowasjee Jehangir: I do not want to take more time than is absolutely necessary, for there are others to follow. I hope my Honourable friend will allow me to go in my own way. I will again repeat that what I read from the Honourable the Finance Member's speech is only partially true.

Now, Sir, he has done in this budget what he has attempted to do in other budgets, *i.e.*, draw out money from companies and firms. His measures are very stringent—I will come to that later on—and I must say that I think he has come to the limit of stringency. But the people he must really attack for anti-inflationary purposes are those masses of the people who are doing better—(*Dr. P. N. Banerjee:* "Who are starving")—who are doing better but have not been touched except through his general measures of taxation which apply to all classes, those millions who are doing worse and those fewer millions or those hundreds of thousands who are doing better. And I am now coming to a rather delicate subject on which I touched before. I do not know what the Honourable Member has done with regard to those millions of people—I understand they go into millions—who are primary or secondary owners of land. It seems to me that they are causing inflation more than anybody else. They have been getting money which they have never been accustomed to get in the last 30 or 40 years. They had been living a hand-to-mouth life but suddenly found that their products are producing in the open market three or four times their original value. Still, so far as I can see, they pay no income-tax, no super-tax, no excess profits tax, and the land revenue has not risen. They remain more or less untouched. One of the reasons for these fixed deposits is that companies and firms should be made to save in order that they may use that money for rehabilitation of their industries. May I ask whether it is not necessary for the primary and secondary owner of land also to be made to save in order that he may use that money usefully after the war to improve the conditions of agriculture? Why should this principle apply to one and not

to the other? Why should not the owner of land be made to save money? Why should he be allowed to carry out a suicidal policy of buying more land or land that he was forced to give up in bad times, at inflated rates? Why should he be helped to carry on inflation in land? Why cannot he be forced to save that money for times more normal when he can buy that land which he lost in days gone by, at a reasonable price? Why cannot he be forced to live like the millions and millions of other people in India who are on the verge of starvation due to the conditions of war? I do not know how many millions there are of such primary and secondary owners of land. I have heard the figure of 55 million; I believe the Gregory report states that, though I can hardly believe it myself. But if it is anything like that figure that means, if you take only one child, there are 150 million people in this country who are helping inflation. These people go untouched.

Dr. P. N. Banerjee: Most of these people have no food to eat.

Sir Cowasjee Jehangir: That is all bunkum.

Dr. P. N. Banerjee: You live in Bombay in a palace, you don't know the condition of the agriculturists.

Sir Cowasjee Jehangir: My Honourable friend has only got to go about with his eyes open. I am only talking of a certain class of people—the primary and secondary owners of land. I am not talking of the landless labourer who is in a hopeless condition; I am not talking of those millions and millions of our people who are on the verge of starvation. I am trying to get at groups of people who are doing better than they did before, and I am asking the Honourable Member to initiate and put into practice the principle that it is these people whom he should try to attack. It is from these people that he should take money by way of loans—not taxation—and only then will he be able to tackle in this direction the inflationary tendencies that are so evident in this country.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Is not land revenue taxed up to 50 per cent.?

Sir Cowasjee Jehangir: I could not catch the Honourable Member but, so far as I know, land revenue has not risen in any part of India.

Therefore, I would make a very bold suggestion. I know it will be most unwelcome to many parts of this House and many other people. I would suggest that the primary and secondary owner of the land . . .

Mr. T. T. Krishnamachari (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Will the Honourable Member please explain who a secondary owner is?

Sir Cowasjee Jehangir: I will explain. The primary and secondary owner of land should be made compulsorily to lend to Government every year twice as much as the land revenue.

Sir Muhammad Yamin Khan (Agra Division: Muhammadan Rural): No, then the primary owner cannot live even.

Sir Cowasjee Jehangir: The primary owner is the owner of the land; the secondary owner is one who has got a lease of the land in perpetuity or on long lease. He, therefore, gets the benefit, not the primary owner. In many cases the primary owner cultivates himself and therefore he gets the benefit. It varies very much all over India and it is difficult to speak in very accurate terms. I feel that the proposal I make is nothing new, but the time has come when the provinces must help the Central Government in this direction. It is in the hands of the provinces, and therefore the provinces must be made to wake up. Unless they whole-heartedly co-operate you will never tackle this question of inflation in this country as it has to be tackled, Sir, I do not wish to go further into this question. I could speak at some length but I want to curtail my remarks as far as I possibly can. I would ask again that this suggestion is seriously thought of, that the provinces be seriously tackled, and unless the Honourable the Finance Member does that with the assistance of the whole of his Government he may not be successful, as successful as he ought to be, in tackling these inflationary tendencies in the country.

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I will now come to a subject which my Honourable friend, Mr. Chapman-Mortimer, touched upon and which I had down in my notes for reference. It is this question of evasion of taxes which is becoming a bit of a scandal. (Mr. N. M. Joshi: "Fine art.") Yes, it is a fine art truly. This question of evasion of taxes is a question which must now be publicly ventilated and this hush-hush policy on our part must stop. It is the honest man who suffers while the dishonest man walks away with all the profits. The more there is of evasion, the more will be the taxes piled up by Government.

The Honourable Sir Jeremy Raisman: Hear, hear.

Sir Cowasjee Jehangir: I believe that if every man today would pay his taxes fairly and honestly the Honourable Member would be in a position to reduce income-tax and super-tax by at least 25 to 30 per cent. I am making this very bold statement.

Dr. P. N. Banerjee: Over bold!

Sir Cowasjee Jehangir: . . . because I see money hidden away in nooks and corners in such fabulous amounts that I can hardly believe it. I may go one step further and say that evasion to this extent cannot take place without a certain amount of connivance on the part of the department. I know I am making a very serious charge . . .

Sardar Mangal Singh (East Punjab: Sikh): It is true.

Sir Cowasjee Jehangir: . . . but at least that can be remedied. I must tell the Honourable the Finance Member that his department is over-worked; that he is overloading it. In this very Budget there are provisions which will add more work for this department. The department is unable to cope with the work on account of war conditions and you go on piling more work on to this department and expect efficiency. You cannot do it. I think you should reduce the work or you should increase the staff, and in this case an increase of the staff will not be money thrown away. It will be money most usefully invested, for if you can have a better check, if you can have more expeditious methods you will gain ten-fold, twenty-fold, even hundred-fold more than the small expenditure you may have to incur in increasing your staff. I will be promptly asked where is the trained staff to be obtained? You cannot make an Income-tax Officer in a day. I realize that. But there may be men available in private life, fairly well known for their honesty, who may be temporarily employed in the department. If the Honourable Member only looks round he may find some. It is urgently necessary. You cannot blame the connivance as much as I would like to do. I feel there is another side to the question. You get men fairly poorly paid. You have sharks in this country who are ready to put down thousands on the table for a concession, thousands of rupees literally. After all, we are all human; let us not blame those who are in a worse position than most of us. They fall to the temptation, however honest they intend to be.

Mr. T. T. Krishnamachari: So pray that they should not be led into temptation.

Sir Cowasjee Jehangir: It is on both sides: I blame the sharks who tempt them. But it must be stopped. I do not ask for punishment; I ask for a remedy and if I believed only ten per cent. of the stories that are told to me I would be more alarmed than I am today. But there are many such instances, I have no doubt, and I will repeat that the more such instances there are the more shall we, who happen to be honest, pay, because the taxes must be piled up. Now, Sir, I will go to another point. I am moving rather rapidly from point to point.

There is one bright feature in this Budget. It is the setting aside each year from now onwards a part of the dollar accruing from India's exports to the United States of America, apart from and in addition to our current dollar requirements which are met from the Empire dollar pool. I congratulate the Honourable Member on this.

Dr. P. N. Banerjee: Better late than never.

Sir Cowasjee Jahangir: I had occasion to mention one of the contingencies that may occur with regard to our sterling balances in my Budget speech last year. There are two main contingencies against which we must guard: The first contingency is the depreciation of our sterling balances due to the depreciation of sterling *vis-a-vis* the dollar. That is one contingency that may occur, and a great deal will depend upon the agreement that will or is bound to come into existence between England and America. If England gets a fair deal and sterling *vis-a-vis* the dollar gets a fair deal, this contingency will not arise, but if England does not get a fair deal then sterling must depreciate *vis-a-vis* the dollar and so must our sterling balances. That is one contingency that we have to reckon against. The other contingency is that we must make sure that our dollar requirements after the war will be met to the full and we shall not have to depend upon the charity of anybody for our dollar requirements. Of course we will have to depend upon the Empire dollar pool; personally I am rather anxious about the Empire dollar pool. Since 1932 this has been the system. Since the war broke out, our trade balances with America have been considerable. We should get full advantage of those trade balances. These are the two contingencies I would like the Honourable the Finance Member to guard against; I need not go further into details. He is well aware of these facts. Then, Sir, there is another contingency mentioned by my Honourable friend, Sir Abdul Halim Ghuznavi, and that is the tendency shown in the commercial press in England to make out that India has got the best of the bargain. I do not know if that is so. Personally I think India has had a fairly equitable deal. At any rate, I wish the Honourable Member every luck in future. I thank him for what he did last year; I wish him every luck in the future. We wish to take advantage of nobody, but we do want to see that nobody shall take any advantage over us. Sir Abdul Halim Ghuznavi, at any rate, did sound a note of warning. Personally I have no great apprehensions, but we must be wide awake. When you see a tendency of that sort in influential quarters, the time has arrived when we should be wide awake. But may I ask to what extent have we got these dollars set aside for us and will the Honourable the Finance Member and the Government of India see that the setting aside of these dollars is something commensurate with our trade balance with America. I would like some assurance on this point.

Now, Sir, I will touch very very shortly upon three aspects of the budgetary proposals. Firstly, I believe that the intention of the Honourable Member is that he shall place all companies and firms in the same position as they were before the war. He desires to take the whole of the excess profits in one way or another into the Government treasury. He takes a part by direct taxation. He takes the rest by way of deposits. He thus leaves companies and firms, or he intends to, I hope, in the same position as they were in the standard period, and let me point out that in a very large majority of cases the standard period was a time of depression. (The Honourable the Finance Member signified dissent.) Yes, it is so, and without the slightest doubt about it too. I repeat that the standard period was a time of depression when dividends were at a very small rate or none at all. I cannot speak for the whole of India. There may be exceptions. I have one or two exceptions in my own mind. Generally speaking, that is a fact. Therefore I believe it is the intention of Government to leave these companies in the same position as they were before the war and that they should not be able to give any more dividends than they did before the war. Now I contend that there are many many companies who will not be in that position. They will be in a worse position than they were during the days of depression or the standard period. I will give only one instance which is very common and runs through all companies. I will quote for the convenience of the House in very large figures, not meaning to say that all companies make these profits, but I take these very high profits to make the example more easily understood. I take a limited company with a profit of, say, Rs. 106 lakhs. I take the standard profit at Rs. 10 lakhs. The taxation for the company comes to Rs. 100 lakhs.

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According to the present proposals Rs. 96 lakhs is the excess profits, Rs. 19 lakhs is the deposits, Rs. 17 lakhs income-tax and super-tax, making Rs. 100 lakhs. That company is left with Rs. 6 lakhs for distribution purposes. I said that the standard profit was Rs. 10 lakhs. That Rs. 10 lakhs after deduction of income-tax and super-tax in the standard period is reduced to Rs. 7,81,000. Therefore, in the standard period this company is left with Rs. 7,81,000 for distribution. The very same company under present conditions will have Rs. 6 lakhs to distribute, and over and above if that company decides to give the whole of the Rs. 6 lakhs in dividends that six lakhs will be reduced to Rs. 5,64,000. So against Rs. 7,81,000 that company will have Rs. 5,64,000. I believe, Sir, that this is the generality of cases. It may be argued that there is no reason why the shareholder should not pay his extra taxation. Dividends are generally given income-tax free. Therefore, it may be argued that the dividends should be a little less than they were before to cover the difference in the taxation between the standard period and today, which would be about 26 pies. That is an argument worth consideration, but you go much further. After you make the shareholder pay the extra taxation levied since the standard period, you go on to make him deduct from his dividends another anna, because he has the privilege of getting a dividend, that I consider unfair: considering as I repeat again that those standard periods were periods of depression. The cost of living has gone up. A large majority of these shareholders are middle class people. They have got to live. Everything again comes back to the cost of living. They have to pay more for their living. Surely they expect a little more dividend when the companies are making profits. But I won't give them the higher rate. I will give them the same dividend as in pre-war times. I will make them pay the taxation, but I will not punish them further. That is what the Honourable the Finance Member intends to do. Therefore, I suggest now that there are two remedies for him. One is to reduce 19/64 to 17/64 or at least to get rid of this one anna corporation tax on dividends which he proposes in the budget. I do not wish to go further into this subject because, as I promised, I want to be as short as possible.

The second principle in this budget is the principle of pay as you go. Now it has been very successful in England but may I point out to the Honourable Member that in this country there are arrears of taxation to be collected. I pointed that out in the last budget time. Your excess profits tax is in arrears by crores. I maintain that you are still in arrears by crores of rupees. You have not got your assessment for several companies for the year 1940-41. Your staff has not been able to cope with work and you talk about pay as you go. What on earth is the use of keeping in the hands of these companies as a whole crores of money of uncollected taxation and asking them to pay the small amounts due by way of taxation on profits for every three months? It is illogical. I cannot understand it. If you had collected all your taxation I could understand the principle of pay as you go, but you leave them with literally crores of money and then you say "give me a small amount of part of your three months profit". I do not see how it is logical in present conditions in India. After you have collected a fair amount of your arrears—there always will be arrears—then pay as you go is logical. At any rate my main point is that it will be a considerable burden on your department which they will not be able to bear under present conditions. I say that with the fullest confidence. You will cause assesses trouble which is unnecessary. But the main point is that you will not be able to collect this money properly. Your department is not strong enough to do it. Therefore, I have another suggestion to make, which in my opinion, will bring in even more money into the Treasury than pay as you go, although theoretically my suggestion is not pay as you go. I would suggest this for the Honourable the Finance Member's serious consideration. The alternative method is that every assessee should be required to pay with-

out any notice of demand within one month of the close of the assessee's assessment year the amount of income-tax and super-tax either on the basis of his total income of the latest previous year, in respect of which he has been assessed, or on the basis of his own estimate. That means that as soon as a year is over the assessee of his own accord has to send to the treasury his income-tax on the year that has just been finished according to his own estimate, or according to his latest previous year's estimates. You will get more money by that than you will by paying as you go, and it will be less trouble to your department and less trouble to the assessee. There may be certain objections by certain people, who will say that they cannot pay the whole sum immediately. I have no sympathy with them. They had every chance of collecting the money for payment of income-tax and super-tax; no such argument should be valid from those who say that they cannot pay their whole income-tax and super-tax in any one year after making all those profits. Therefore, I would seriously suggest to the Honourable the Finance Member that he should give my proposal a fair consideration, and if he finds, as I believe he will, that he will get more money into the treasury than by his proposals, I trust that he will adopt it.

The final point I would like to allude to is with regard to clause 8 (a) of the Finance Bill. After a considerable fight in this House we obtained the concession that all borrowed monies by a company should be considered as capital employed in the business. It required some amount of argument, some amount of agitation, to persuade the Finance Department that this was a fair proposal. They accepted it. Now what they gave with the right hand they desire to take away with the left. They propose that any borrowed monies to pay income-tax or super-tax should not be considered as capital employed in the business. A company has its own monies employed in its business. It may be in raw jute, it may be in cotton, it may be in hides, it may be in any raw material, and you have to finance the manufactured goods until the time of delivery. And in these times there is a considerable amount of delay, considering Government usually do not take delivery for months after the goods are ready. If further money is required for such purposes and it will be in future after this taxation, the company has to go to the banks. What the Finance Member says is that you must keep liquid such monies as are due to the treasury by way of taxation and not employ it in your business but keep it completely liquid, idle, and then pay it up, and you may borrow as much as you like for your working expenditure. That is illogical. I tell you why. On the one hand, you are forced to keep money liquid; on the other hand, you are forced to go to the banks, you are not allowed to employ the liquid funds, because you may be called upon to pay it at any time to Government. But if you employ those monies for your working expenses and if you are called upon to pay to Government you borrow from a bank, it will not be taken by Government as a capital employed in the company. I consider this wholly illogical, and I consider that Government should note that their proposal will confer no benefit but it will work hardship to the companies. I may add one point that I forgot to mention, namely, that unregistered firms or registered firms are far worse than the companies, because they pay income-tax and super-tax on the slab system and, therefore, their case is worthy of consideration and I trust that the Honourable the Finance Member will give them special and sympathetic consideration.

I am still of opinion that there are a great deal of arrears with regard to excess profits tax, and that Rs. 78 crores that the Honourable Member provides is a most conservative estimate. I understand the Honourable Member's way of thinking. He wants something up his sleeve in case the expenditure goes up as it did last year. Well, I do not grumble. If expenditure is likely to rise which he cannot anticipate, it is his duty to see that he has some revenue up his sleeve, but let me tell him that I do believe that these 78 crores will be far exceeded. I would now like to have a definite statement from the Honourable the Finance Member as to what he means by deposits. I am aware of the press note of the 27th May, 1942, explaining the position of deposits.

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but I would like to have a categorical statement from the Honourable the Finance Member that these deposits will be treated like any ordinary deposit, as a fixed deposit, and that no conditions will be brought in in the future when it comes to the time to repay those deposits. He will not contend that the company acted in such and such a manner and therefore he must cut off so much of the deposit. These deposits are pure and simple deposits, they are fixed deposits with Government, and there should be no difference between these deposits and fixed deposits with a bank for a certain period. I would like to have a categorical statement with regard to that.

Finally, Mr. President, I have to sound a serious note of warning. The Honourable Member has stated that he has under active consideration the possibility of an estate duty on non-agricultural property. (Interruption from Congress Benches.) Let me tell Honourable Members opposite that I am subject to death duties even now. I am one of those small communities that are subject to death duties to-day. Let me tell the Honourable the Finance Member that this is no new question and that it goes to the very root . . .

Mr. T. T. Krishnamachari: Pay as you die!

Sir Cowasjee Jehangir: . . . of the Hindu sentiment, that he will find more opposition in the country than he anticipates. I would warn seriously Indian Members of the Government not to rush in where angels fear to tread. (Interruption.) I know that the object is very laudable. He wants to do his bit for the rebuilding of the future India. That is his object he says. May I respectfully suggest to him that he should leave such legislation for those Hindu members of the 10,000 crore group when they come into power. Let them tackle such questions, and let the present Government, situated as they are, not fall into such traps. But let me, at the same time, when I give this warning, say that, if it is his intention to place such legislation for the consideration of this House, and for their unfettered judgment, if there is to be a free vote, then perhaps there is some argument for his doing so. A free vote of this House, of nominated and elected Members, and if he is prepared to take the verdict of this House as final and not use his power of certification in a matter like this, there may be some grounds for testing public opinion. But let me warn him that if he means to use his powers of certification in a measure of this sort, he will get into trouble such as this Government has never got into trouble before. With this note of warning, Mr. President, I thank you for the consideration you have shown me in having allowed me to speak.

Syed Ghulam Bhik Nairang (East Punjab: Muhammadan): Sir, the House has been listening to a most valuable and illuminating speech by my Honourable friend, Sir Cowasjee Jehangir, but I think the hard mental exercise which is involved in listening to speeches of that kind requires a little relaxation and some diversion and change of subject. On previous occasions during the Finance Bill debates and on certain other occasions, it has fallen to my lot to discuss a particular kind of subject which I find now must be extremely distasteful to a certain type of my Honourable colleagues in this House but I have to advert to subjects of that kind every now and then, owing to their vital importance. My Honourable friend, Mr. Jamnadas Mehta, whom I do not find here at the moment, two days ago gave an exhibition of a particular mentality on the floor of the House when my Honourable friend, Sir Muhammad Yamin Khan, objected to the constitution of the Defence Consultative Committee as waste of public money. Mr. Jamnadas Mehta took the objection apparently as a personal affront to him, although nothing of the kind was meant, because we are quite familiar with his claims to supreme wisdom. (An Honourable Member: "He is not here.") I have said that he is not here at the moment. We have never quarrelled with any kind of advice tendered by him to the Government or the Finance Member. In fact, from our point of view, he can every now and then indulge in thumping and counter thumping of the desk with the Finance Member. We have no objection to that but why should he have flown into a rage over that simple

remark of Sir Muhammad Yamin Khan and taken the line which he took in that matter? He could very easily have shown by means of facts, as he did try to show later on, that the Defence Consultative Committee has been doing useful work. In fact, another Honourable Member of that Committee, Mr. Deshmukh, did the same and in a cool, calm and collected manner he told the House about the work that the Defence Consultative Committee had been doing and tried to convince the House that the money spent on that committee was not after all waste of public money. But Mr. Jamnadas Mehta, as is usual with him, said that Sir Muhammad Yamin Khan had no *locus standi* to raise any objection on the score of waste of public money because his own Party had wasted a lot of public money over the Delhi University Amendment Bill. Now, Mr. Jamnadas Mehta knows and everybody in this House knows that the prolongation of the debates over the Delhi University Amendment Bill was due to the efforts which the Muslim League Party made to secure better representation for Muslims on the Delhi University and if it is not a crime for Mussalmans to try to secure better representation on a statutory public body like the Delhi University, there should be no objection. If the debates over that Bill took longer time than they would ordinarily have taken, that was due to the callous and obstinate attitude adopted by Government and to the hostility to Muslim claims shown by Mr. Jamnadas Mehta and men of his type. The thing rankled in his heart and he had to blurt it out at the first opportunity that he got. Now, looking at the fact that it is only two days ago that this incident took place, I felt some hesitation and feared that I might, by taking up the subject that I am going to take up in my speech today, wound the feelings of Mr. Jamnadas Mehta or some one else of that type but owing to the vital importance of the subject, I make no apology for adverting to it; beyond saying that my intention is not to wound the feelings of anybody. My sole object is to try to secure for Muslims a fair deal.

I am sorry that I do not find the Honourable the Home Member in the House at the moment because what I am going to talk about relates to him. I hope he will be here presently and I shall have the benefit of his attention to what I have to say. Now, Sir, four years and eleven days ago, on the 13th March 1939, my Honourable friend Dr. Sir Zia Uddin Ahmad, during the budget Session of 1939 moved a cut motion in this House to discuss Muslim representation in the services. The point raised was that the policy laid down in the famous Home Department Resolution of the 4th July, 1934, which aimed at securing for Muslims a minimum share in the services of the Government of India by reservation of appointments was being defeated by excluding from the operation of the Resolution a large number of posts on the plea that those posts are of a technical or special nature and by adopting other evasive devices. In the course of the debate which followed, the speakers gave facts and figures to show how the orders contained in that Resolution were being side-tracked and how justice was being denied to Muslims in filling posts by promotion. The Home Member gave a sympathetic reply and the motion was withdrawn. This was, as I have already said, on the 13th March, 1939, more than 4 years ago. Since then, the Muslims have been anxiously waiting to see the practical results of what the Home Member's speech on that occasion appeared to fore-shadow. No definite information has been vouchsafed to us as to what steps had been taken to ensure a proper working of the great Resolution of 1934, which Muslims who were already in Government service and the aspirants looking forward to entering into it were led to regard as their *Magna Carta*. The public at large and even the Honourable Members in this House are not in a position to know the exact state of things prevailing in Government Departments and offices and whatever they hear from time to time cannot serve as authentic information derived from authoritative sources on which any inference this way or that way could be based. Occasionally, we try to get information from authoritative sources but very often no information is given. Questions on the floor of the House are evaded; information is said to be not readily available and it is pretended that it

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collection will involve an amount of expense, labour and time which would not be commensurate with the results obtained. Looking at this secretive attitude of responsible authorities, one is led to believe the stories one hears and cannot help drawing conclusions from those stories. Of course, we are not in a position to quote chapter and verse, but what appears to have been going on before and after the Home Member's speech in this House on 13th March 1939 was this. The Muslims had been agitating for several years prior to 1934 for securing fixation of proportions in Government service and about 1929 Government had started an inquiry as to how matters stood. This inquiry led the vested interests to scent an impending unwelcome development in Government policy. Forewarned is forearmed, and these vested interests diligently and cleverly set to work and reduced in the period preceding the Resolution of 1934 the proportion of vacancies which are ordinarily filled by direct recruitment. The convenient plea was found that plenty of graduates were available for posts in the lower categories who could subsequently be promoted to higher categories. This specious argument apparently looked as if it were advanced in the interests of efficiency, but the real intention could only have been to confine the Muslims to a low proportion of the comparatively lower paid posts. Several examples of this were some time ago given by my Honourable friend, Hafiz Muhammad Abdullah, as far as the North Western Railway is concerned, but the Railway Board, of course, took no notice of the evasions that were pointed out. By the time the Resolution of 1934 was issued, mischief had been done, and, if after the Home Member's assurance of 13th March, 1939, the Home Department proceeded, as we hear it did, to inquire from all Departments whether the proportion of vacancies filled by promotion in any service or grade has been increased since the issue of the Resolution of 1934, the inquiry could not meet the real requirements of the situation unless it were made with regard to a date much earlier than 1934, say, 1931, because the position of the vested interests had been consolidated and fortified for about four years in anticipation of the invasion which assumed the form of the Resolution of 1934. No extraordinary scheme is needed to realise that if the process of recruitment by promotion is carried too far, the representation of the minority communities will be reduced to a sham and a farce. One can imagine the representative and champion of vested interests saying to the Muslim aspirant for entering Government service something like this: To the higher categories and grades you can get only by promotion in due course; enter the lowest category; serve your term of probation and then get confirmed, unless it suits me to condemn you as inefficient; after confirmation, wait for years and years to work your way up if I permit you to do so and do not find it necessary for the benefit of those in whom I am interested to keep you down. Remember service is a ladder; get to the lowest rung and come up rung by rung. Of course, I am at the top and, unless I choose to push you down, you will one day get to the top.

It was thought that the Home Department was about June 1939 trying to find a way out and evolve a scheme which would be more equitable to the minority communities, but four weary years of waiting have lapsed since and not only no improvement has resulted but it is feared that the position has considerably deteriorated. In the matter of recruitment by promotion, the complaint has been that a Hindu gets promotion simply by reason of seniority when he happens to be senior and on the alleged ground of merit when a Muslim happens to be senior to him. And how is merit determined? By the opinion of the vested interests expressed at the time or from time to time as appearing from the personal files. The trick usually resorted to in order to deprive Muslims where there happen to be some is that owing to the absence of definite rules as to whether promotion will be by selection in strict accordance with merit or by seniority subject to fitness, if there is a Muslim who happens to be senior, he is passed over in favour of some non-Muslim on the ground of merit, while if a Muslim satisfies the merit test but

is not senior, he is not considered as he is a junior. Although lip service is paid to the principle of selection, in practice very few Hindus are deprived of promotion where they claim it on the basis of seniority, even mediocre men getting promotion on the ground of seniority. Selection by merit is always invoked when the senior man happens to be a Muslim. The criterion is varied according as a Hindu can be promoted on one or the other principle. It follows, therefore, that definite rules of recruitment should be framed for every service fixing the proportion of vacancies to be filled by direct recruitment or promotion respectively. Definite rules should also be framed laying down for every service and office where promotion from one grade to another or from a lower to a higher service should be made strictly by selection or merit or according to seniority coupled with fitness. Unless definite rules are framed and observed in practice, things will remain as they are because the 25 per cent. minimum laid down in the Resolution of 1934 relates only to direct recruitment and cannot by itself suffice to give Muslims their fair share in the services. Another principle which should be adopted and adhered to is that where vacancies are filled partly by promotion and partly by direct recruitment, the share reserved for promotion should be in no case more than 50 per cent. of the vacancies. In addition to the adoption of these rules and principles, there must be a capable Muslim officer of the rank at least of a Joint Secretary whose business it should be to see that orders about Muslim representation in the services are carried out and not honoured more in the breach than in the observance. Soon after the issue of the Resolution of 1934, the Home Department appointed a Special Deputy Secretary and the Railway Board appointed a Deputy Director in connection with the working of the orders. These posts which should have been made permanent were abolished after about three years. One single officer directly under the Home Department with sufficient staff recruited mostly from the minority communities will suffice provided the field of his activities is sufficiently wide. Four years is a very long time, indeed, for the results of the Home Member's assurance on 18th March, 1939, to become concrete and tangible. They say, official mills grind very slow, but they grind very fine. If what we hear is based on fact, then it appears the official mills in this case have ground very fine indeed because we learn that the Home Department is, after four years' researches and deep study, now proposing to make all posts, selection posts with the exception of the posts of ordinary Assistants and second grade clerks, and the class of second grade clerks is in course of abolition. Selection of course means selection of the best candidate available and this process gives unlimited latitude to the vagaries and idiosyncrasies, prejudices and predilections, likes and dislikes of the selection machinery. The Home Department was supposed to be the watch dog charged with the duty of guarding the interests of the minorities but it appears to have conferred complete autonomy on the various Departments and does not propose to meddle with their affairs. Of course, Sir, as the proverb goes, when the Home Department cat is away, the mice in the other Departments will play. Isolated facts and figures reach us from all Departments of Government services and one can give a number of examples and illustrations although it is not possible to present a complete picture for the obvious reason that full information is in various ways denied and withheld. I do not know what to hope for and what not to hope for from the Government. But if the Government have any sense of duty, the observations which have so far been made and the suggestions which I have offered will suffice.

But the Government appear to be too much pre-occupied not only with war and the conditions created by war, but with post-war schemes and other matters of high policy. One example of such matters of high policy is the propaganda which is being carried on presumably under Government auspices for the establishment of a Supreme Court in India. The Chief Justice of India, as reported in the Press, appears to have been touring about and trying to create a public demand for such a court. The subject of a Supreme Court,

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India is at once interesting and important. The genesis of the idea may very well be traced to the scheme of federation. During the Round Table Conference, one heard eloquent appeals for the unification of British India and Indian India. Most of the Round Tablers went into ecstasies over the prospect of a United India possessing a high status in the British Commonwealth and in the comity of Nations. The Government of India Act 1935 was the result which permitted the dismemberment of India by cutting off Burma and laid the foundation for the unification of British India and Indian India into one political and territorial unit. The Federation envisaged in this Act was to become an accomplished fact in the course of a very short time, but everything did not wait till that consummation had been achieved. Certain things became federal in anticipation of the dream materialising. One finds the Federal Public Services Commission, and the Federal Court functioning; whatever may happen to the Federation itself. The Cripps Offer which is authoritatively declared to be still open definitely discards the term federation, talks of the Indian Union and provides for the secession of members of that Union under specified conditions. But anyhow, as things at present stand, we have got the Federal Court, the constitution, functions, and jurisdiction of which are laid down in the Government of India Act, 1935, Part IX, Chapter I. The Federal Court is to consist of one Chief Justice and not more than six Puisne Judges unless and until the number of Puisne Judges is increased on the Federal Legislature presenting an address to the Governor General for submission to His Majesty. By section 204 of the Act, the original jurisdiction of the Federal Court empowers it to deal with and decide any question of law or fact on which the existence of a legal right depends in any dispute between the Federation, any of the Provinces or any of the Federating States, the jurisdiction in a dispute to which a State is a party being circumscribed by conditions laid down in the proviso part (a), sub-section (2) laying down that judgments pronounced by the Federal Court shall not be other than declaratory. The Federal Court has also appellate jurisdiction in cases decided by the High Courts when the High Court concerned certifies that the case involves a substantial question of law as to the interpretation of the Government of India Act or any Order in Council made thereunder. The appellate jurisdiction of the Federal Court can be enlarged by an Act of the Federal Legislature in such civil cases as may be specified in the Act subject to conditions laid down in section 206 of the Government of India Act, 1935. Section 206(2) contemplates the possibility of such Act of the Federal Legislature abolishing direct appeals to His Majesty in Council, either with or without special leave. Section 208 provides for appeal to His Majesty in Council from original or appellate decisions of the Federal Court under specified conditions. It follows from a consideration of these facts that the Federal Court is at present only a court of constitutional law and may under an Act of the Federal Legislature develop into an intermediate appellate court for purposes of appeal from certain decisions of the High Courts, which will be a judicial half-way house, so to say, between the High Courts and the Judicial Committee of His Majesty's Privy Council. But it is not contemplated by the Government of India Act that appeals to His Majesty in Council should be altogether abolished. Therefore, a very pertinent question arises as to what the conception of a supreme court is in the minds of those who are trying to influence public opinion in its favour and create a demand for it and what the benefit to India will be if such a court is established. We know that there is such a thing as a Supreme Court in England. Prior to the passing of the Judicature Act of 1873 there were the following Courts in England: The Court of Chancery, the Court of Queen's Bench, the Court of Common Pleas, the High Court of Admiralty, the Court of Probate, the Court for Divorce and Matrimonial Cases. All these courts were united and consolidated together by the Judicature Act of 1873 to constitute one Supreme Court of Judicature consisting of two permanent Divisions, (1) Her Majesty's High Court of Justice, and (2) Her Majesty's

Court of Appeal. After the Judicature Act of 1973 several amending Acts were passed and all these were finally consolidated and amended by the Judicature Act of 1925. By this Act also the Supreme Court consists of two permanent Divisions—His Majesty's High Court of Justice, and His Majesty's Court of Appeal. The latter court consists of the Lord Chancellor, the Lord Chief Justice of England, the Master of the Rolls and five Lords Justices. In spite of the high forensic qualifications, vast and varied experience and eminent judicial position of the judges constituting His Majesty's Court of Appeal, a further appeal lies to the House of Lords, and the ideal constitution of the appellate side of the Supreme Court of England does not stand in the way of the right of further appeal. What then is aimed at when we are treated to propaganda in favour of the establishment of a supreme court in India? Is it meant that appeals to His Majesty in Council from the decisions of the High Courts or the Federal Court as contemplated by the Government of India Act may be abolished? If this is what is meant, do the originators and supporters of the idea expect to secure in India the services of men of the attainments and calibre of the Judges composing the Judicial Committee of His Majesty's Privy Council? That Committee consists of the Lord Chancellor, the Lord President and ex-Lords President, six Lords of Appeal in Ordinary and such other members of the Privy Council as shall from time to time hold or have held high judicial office; that is to say, Judges of the Supreme Court of England, etc., and Judges of any High Court in India as are nominated by the King. Can the requisite judicial personnel be found in India, or will eminent and highly qualified men be imported at enormous expense from England? The only conceivable gain to the litigant will be a possible, not certain, reduction of the expenses of appeal and elimination of a possible danger to records of cases arising from war conditions. But litigants fighting for large properties or precious rights have never minded and should never mind a little more expense if they can secure consideration of their cases by an ideal judicial authority; and instances of loss of records have been few and far between. The upshot, therefore, is that this Supreme Court game is not worth playing. It may be that Government are interested in the establishment of a Supreme Court as one of the arguments which may be used later on to support Lord Linlithgow's discovery of geographical unity; and from that point of view the idea may very well be welcome to those advocating the cause of an Akhand Hindustan. If it is so, we Muslims have the strongest objection to the idea and its propagation. When we secure Pakistan, as we shall certainly do, we shall see what judicial system suits our needs, and Hindustan will decide for itself. In the meantime the *status quo* is amply sufficient for all needs and no change need be talked of or even thought of.

Sir, I oppose the Finance Bill.

Mr. Hooseinbhoj A. Lalljee (Bombay Central Division: Muhammadan Rural): Sir, before I begin my remarks on the Finance Bill I must admit that during the last four years our Budget, as has been pointed out, has increased four times. In fact, we acknowledge that the Finance Member has a very great and hard task and that during all these four years it must have caused him a lot of anxiety and worry. I remember the beginning and the difficult times of the war and the outlook at those times and in those conditions to contemplate what was going to happen was and I am to say still is a very great task. Therefore I congratulate the Finance Member on the way in which he has tried to carry on the finances of the country. There have been sharp differences of opinion about it and there will be still; but on the whole one has to take into consideration the time through which we have been passing and the time which is likely to come. And it is not an easy job to calculate all this. The last words in the speech of the Finance Member give in substance the position and the hope. He says:

"The last five years have witnessed changes of significance and magnitude which few indeed could have ventured to foretell as India has been caught up evermore irresistibly in the rapid stream of war conditions."

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We agree that it is very difficult to venture to foretell the magnitude and significance of the position not only in India but in the world at large. Therefore the present position gives us some relief, a relief which we acknowledge in the fact that chaos has not yet taken place. I wish really that the last two lines had been more explicit and clear. It is only hope and that is what on which we have been kept living on. He says:

"Who can doubt that she is destined to play a momentous part in the years ahead?"

Some indication of these would really have emboldened people like me who realise the great difficulties that we have to surpass and have surpassed. But I should certainly like him to tell us—if he has anything definite to tell

I P. M. regarding as to who can doubt 'that she is destined to play a momentous part in the years ahead, when the last great effort has been crowned with victory, and men turn again to the fruitful tasks of peace'.—Sir, soon after I read these lines, I also happened to read a statement made by Mr. Cordell Hull which lays down some of the things for which the United Nations are said to be fighting this war. Mr. Hull declared:

"that an international agency must be created which will use force if necessary to keep international peace. Force must come from a willingness of the nations to employ it when it is needed. The four-power declaration of the Soviet Union, Great Britain, the United States and China signed in Moscow last autumn will end the need for alliances, balances of power politics and other special arrangements common to international affairs in the unhappy past. Excessive trade barriers must be reduced and hurtful practices avoided."

Leaving aside for the present the other great issues, I should like from the Honourable Member to be enlightened on a very particular issue or question, *vis.*—excessive trade barriers, etc. Then Sir, I should like to hear from my Honourable friend, the Member for Indians Overseas, or some other Government Member, on the question which follows. Mr. Cordell Hull dealing with the question of colonial responsibility said:

"There rests upon the Independent Nations a responsibility in relation to dependent people who aspire to liberty."

I should like to know who are meant by 'independent nations' and 'dependent people' and which are those nations who are to exercise the responsibility laid down here. It does not end there. Mr. Hull added:

"It should be the duty on nations having political ties with such peoples of mandatories, of Trustees, or of other agencies, as the case may be, to help the aspiring people to develop materially and educationally to prepare themselves for the duties and responsibilities of self-Government and to attain liberty."

Sir, if this is really the intention and the substance of the Agreement which the Four Powers have signed and if Mr. Hull is right in what he says and if we can rely upon him, it means that these people have still in their minds 'mandatories, trustees, and other agencies'—I do not know what these 'other agencies' stand for. On the one hand they tell us—and we have always believed in that—that we are fighting for the liberty of the peoples of the world, and on the other hand they take upon themselves the duty of helping aspiring peoples—of mandatories, of Trustees, or of other agencies—to develop materially and educationally in order to prepare them for the duties and responsibilities of self-Government. Is this now clear? I would like to quote one more latest news which appeared with the above and it is dated 22nd March, 1944:

"Mr. Cordell Hull in an important statement redefining the United States' foreign policy called on all freedom lovers throughout the world to show themselves worthy of liberty by fighting for it. Mr. Hull laid down this programme to maintain order in the post-war world in the process of re-establishing International Order the United Nations must exercise surveillance over aggressor nations until such time as the latter demonstrate their willingness and ability to live at peace with the other nations."

I quite agree with it. But Mr. Cordell Hull further goes on to say:

"How long the surveillance will need to continue must depend upon the rapidity with which the peoples of Germany, Japan and Italy and their satellites give a convincing proof that they have repudiated and abandoned the monstrous philosophy of superior race and conquest by Force and have embraced loyally the basic principles of peaceful process."

It only refers to peoples of these three countries. May I take it, therefore, that it is only that until Germany, Japan and Italy abandon the monstrous philosophy of superiority of race, that the war will go on. Does it not apply to others

as well; does it not apply to every one of us. This is what we want our Government to state clearly. What these Americans are telling the world in the name of the United Nations I insist must be clearly stated and set out in this House for the benefit of forty crores of people who from the beginning of the war have been fighting alongside Great Britain and the United Nations who have sacrificed the lives of millions of their people, who have suffered hardships and privations, who in every way have done their best to help the Allies in this war. We have done so much that we have now reached the stage when millions of our people are starving. When people in other countries were starving and were faced with difficulties foodstuffs were rushed to these from this country without thinking for a moment as to what would be our plight later on. It is no secret that during 1940-41 we made huge supplies to the starving Russia, Iran and probably Iraq also. There is nothing secret in the fact that we never looked ahead and never thought as to what would become of this country. My Honourable friend from the European Group pointed out the other day that from the very beginning of the war the peoples of United States and Great Britain were looking to their local needs and also war requirements, but so far as we are concerned we never looked into that. And now it is this very class of peoples, I mean, we, Indian, numbering forty crores, who demand that they should be told clearly and in explicit terms as to whether this war will go on only until Germany, Japan and Italy and their satellites repudiate and abandon the monstrous philosophy or until all the other people who have and are practising this philosophy also repudiate and abandon the monstrous philosophy of superiority of race? I will deal with this subject again.

Now, Sir, dealing with taxation in the first instance, let me tell the Honourable the Finance Member that he has to take into consideration what my Honourable friend, Mr. Jamnadas Mehta, has pointed out—the present condition of the masses of the people and to what extent they can bear the burden of taxation. He has rightly pointed out that we have to take into consideration the material position of the people in different countries when we compare and consider our taxation. It has been well pointed out, and by many of the people in the House, that there is no doubt that some people in this country have made some gain in rupees, annas and pies due to this war, but those gains are really not at all so big as to bring about prosperity in the whole country. It is also a fact that so far as the people of this country are concerned, he will have to agree that nearly 80 per cent. of them have not had the benefit of the war nor of somewhat prosperous conditions prevailing in important towns, cities and industrial circles. It has always been the weak point of the Government of India that they have always considered those classes of people who have been before their eyes as industrialists, commercial men, landlords and such like living in towns and cities which are so few but so far as the great masses of the poor people are concerned they have never thought of their real conditions of life.

During the last two food debates, we found that the Government of India had not reliable statistics of the produce of the country. Even when Dr. Gregory made his report he said there were no reliable statistics available. For all these years no attempt has been made to collect food statistics for the people. This has been the fate of great masses of the poorer people under the existing Government. If that is so, let us consider very seriously whether anything has been or could have been done which will raise any the least in all these years their standard of life. Their savings would hardly be such as to cause them to have at least two square meals. Sir, it has been admitted, and that rightly too, even by Mr. Amery now, that the food supply for the great masses of the people is not sufficient. Not even one pound of food grains per head has been the lot of the poor of this country. Often it has been said that the population is increasing and sometime back there were some who had the audacity to say that that was a sign of prosperity, little thinking that these people who were growing up in the world were not at all even healthy, sound and bold. It was awful to think that if these people of the various districts were to be made to stand shoulder to shoulder or side by side with people of other countries, they could ever be taken to be human beings brought up with that humanity and care which a civilized nation could demand of one human being towards

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another. In this connection, we have got also to consider another aspect of the question. In this country the population is so great compared to its length and breadth as well as to its capacity for production and earning a fair living wage, that I do not think that in any part of the world have we got such a miserable conditions prevailing. Even then, Sir, what do we find? We find that Indians are not required anywhere outside India but that everybody outside India must have a place in the country. If really we were equal beings as the people of every other country, could it ever be suggested that those people, who are living in paradise in their country, compared with the people of India, living as if in hell in this country, would come to this country to live in hell? The only reason why they make bold to come here is that they get superior treatment and they can make money and because they get much more facilities than the people of the soil.

Sir, even after knowing this to be the condition of the masses my friend the Honourable the Finance Member pleads that the burden must fall on all shoulders—big and poor, strong and weak. Is there any comparison with regard to the condition of the poor in this country and that of any other country, even now when war has devastated many of those countries? I say it has been and it is even now worse than that. There is therefore not the least justification in saying so far as the people of this country are concerned, that the burden must fall on everybody equally, taking into consideration that 80 per cent. of the people have not enough of food, not one pound of foodgrains to live upon. Therefore, I do hope and trust that my friend, the Honourable the Finance Member will kindly avoid these words that the burden, so far as India is concerned should be put equally on all the classes of people. By all means go on increasing your income-tax, super-tax, surcharge, or whatever you like, but please for goodness sake do not say that any large majority of our Indian people are able to bear any more taxes, far less all these taxes that he now puts on.

I remember very well that when the Congress Government in Bombay wanted prohibition then a large number of people, very intelligent, very learned, and, in fact, a good number of foreign experts as well, said that unless you could provide some recreation to a human being in place of his drink, unless you could give the poor hard-worked labourer some respite after his hard day's work, some outlet for a little merriment, prohibition was cruelty and not advisable. A cup of tea, a cup of coffee, a little chewing of beetle-nut, a little *tamaku* and *hooka* to those whose income is not more than Rs. 60 a year is being grudged and it is said that the burden must fall on all the people alike. Or it may be said that the burden should fall upon everybody and everybody must be prepared to bear it. I know very well that during my travels I noticed that there was the heavy incidence of the *tamaku* tax and the coffee tax. When I asked the people about these things they said: Well, what is our income? Why shall we not pay these taxes? We can afford still more because if we want any more amusements, if we want even excursions, if we want any medical treatment, research hospitals for tuberculosis and what not, which are available to us, we must pay and besides it is the duty of our Government to see always with great care that our people are kept very healthy and wise. Do you do anything of the kind? When you want to preach your practice do you do anything of the kind? Therefore, my humble submission is this. I have had occasion, and also many of my Honourable colleagues will bear me out when I say that a little *hooka* smoking enables a large number of people to meet together and have a little chat over that *hooka*, or over the little tea party that they may give. They have no halls, they have no recreation grounds, they sit under trees and take a little *hooka*; they invite all poor mass of villagers to a *hooka* that is their party entertainment. That is the condition of the mass of the people. May I ask, even now whether the Government are prepared to agree to the proposal of total prohibition in this country specially of superior whiskies and the like? If you think that no recreation is necessary for anybody in the shape of liquor, then total prohibition can be advocated on that ground. I once more submit that little things like tobacco, *bidis*, *hooka*,

coffee and tea are an absolute necessity in this country for the well being of the people as it would give them a little much wanted refreshment and recreation, if refreshment and recreation has any appeal to civilised nations, if when recreation in all schools, etc., is compulsory. Salt duty was discussed even in the old Council when there were only nominated members, when great persons like Mr. Gokhale, pointed out that even four annas a maund would do harm to the people of the country, and that to go without little salt was injurious to the health of the people, was injurious to the health of the cattle. That was admitted by the Government, but still in those days the duty rose from one rupee to Rs. 3 and at times even to Rs. 3½ and later on it was agreed it should not be more than a rupee or so but the Finance Member thinks he is now entitled in these days to put on a surcharge and bring up even that duty as well although as I have said Government had acknowledged that the salt duty cannot be increased. If that is the position that was definitely adopted, and rightly too, then I submit on the same principle duty on tea and coffee and tobacco cannot be justified. As regards salt, I find that there has been a scarcity in this country. Attempts have often been made by Government and I know that the Finance Department is anxious to have more salt, but still they depend a great deal on foreign salt. May I ask why during this war period definite attempts are not being made to produce more salt in this country? I know there are some difficulties, but these must be overcome and facilities provided. If we create new industries,—the Supply Department has very well organised so many new industries for the purposes of the war,—why has something not been done with regard to the production of bye-products from salt in this country? We hear very often from Bengal that there is a shortage of salt there. I do feel that something must be done in the direction of producing more salt and its bye-products in the country. While on this subject, let me tell the Finance Member that so far as certain salt works are concerned, especially in the Punjab, at Khewra, certain bye-products are being produced. I want to know whether the production of those products has been given to somebody as a monopoly, or whether the Government are going to carry them out as a Government enterprise. I should like the Honourable the Supply Member to tell us whether at the Khewra works which is managed by the Government they are producing bye-products and to what extent and whether those bye-products are available in the market and at what rates and profits, or, if that has been handed over to some people as a monopoly, then on what terms and under what conditions and what are the profits made? The salt mines belong to the Government and it is the duty of Government to ensure that the bye-products which are really heavy chemicals are needed in this country—the mining of salt and the production of the bye-products must be nationalised, or must at least be under the care of Government and should not form the monopoly of any syndicate or any company, and must be made available at reasonable rates. Even though the monopoly might be justified if it was for a short period, owing to this war, still, there should not ever be created a sort of permanent monopoly and it should not remain a vested interest of some syndicate or other for a number of years, likewise attempts should also be made that Match Industry should not become a monopoly in the interest of masses in India.

I now come to the Commerce Department. It has been often said, and I do believe it has been honestly said, that the Commerce Department of the Government is endeavouring its level best to promote the trade and commerce of the country for the last some years. But I should like to draw the attention of the Honourable the Commerce Member that, while we appreciate the desire, the inclination, the attempt that is being made by the Commerce Department to improve our commerce and industries during this war, as in other departments, they have sadly neglected our export trade in foreign countries. The Commerce Member is as anxious as anybody else that after the war they should have number of Trade Commissioners, if necessary, they might have some Consuls as a sort of subordinate officer to the British Embassy or Agents or Agent General, but I find that during the last two years the Commerce Department has not been so very careful or anxious in expanding our export business in

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every direction as was the keen policy for a number of years, and that may be due to war or otherwise.

Mr. President (The Honourable Sir Abdur Rahim): It is now half-past one. The Honourable Member can continue his speech after lunch.

The Assembly then adjourned for Lunch till Three of the clock.

The Assembly re-assembled after Lunch at Three of the Clock, Mr. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

Mr. Hooseinbhoj A. Lalljee: Sir, I was speaking about the Commerce Department and I wish to say once again that for some years now in the Government of India a good deal of care and attention, and I may say, eagerness, has been shown for the development of commerce in this country. And I do wish, now that we are just going out of the war or the position has been such that we could safely say that we are now on a victorious path and more specially and particularly at a time when all the people in the world at large are seriously considering about their future trade, that our Commerce Department will also show the same keen anxiety, the same eagerness with regard to our trade and commerce. So far, we know definitely that all the countries which have been making sacrifices have been claiming, and probably very rightly, that for the sacrifices they have made they should have some reward. In fact, it is a claim made by all the nations that for the future development of their countries they must have sufficient markets and sufficient development of their industries and commerce. So far as this country is concerned, I drew the attention of the House to the very last two lines, very important, in the Budget speech of the Honourable the Finance Member, where he has really raised a great hope in us. I know it is impossible for us to expect, just as other people expect, some land some territory where we could expand our business. So far as we are concerned, I am afraid, we can never expect that some part would be given to us. Far less can we expect that we will get any sort of mandate over any countries or places. May I ask the Government to consider what will be the reward or at least the compensation for the heavy losses that our people have incurred in defeating the enemy, how will our activities be enlarged and in what sphere? The only thing that appears to me is that it will be a good thing if we are at least allowed to retain the markets we had established at great sacrifices in Africa and other places and we are not kicked out from there. (An Honourable Member: "You want fair treatment?") Yes. I want much more. No doubt every attempt will be made, in fact, it is made, by other nations and British Dominions to have spheres of influence, if I may use the word. Let us hope that none of our spheres of influence will be taken away, where we have them, where we have our little business now left to us as shopkeepers. No more does the word 'shopkeepers' apply to the great industrial and commercial people of England. It is we who may be called petty and small shopkeepers. We want that little business of ours may be maintained. I will just point out to you two instances which I hope my friend, the Honourable the Commerce Member, will bear in mind. First of all we have adopted the principle of issuing export permits on the basis of those rules that are prevailing in England and other places. Those in line must get their quotas to maintain their business. It is a quite equitable and fair way of looking at things but I must ask him to make some little deviation in that principle. I think he honestly believes that we must have room for those new industries and business which we have not established to help the war at some sacrifices. New business men have come on during the war and during the last four years. They have developed their business in those quarters where we were jammed. There are many parts which were actually starving and some are starving for many articles. The Eastern Group Supply Council people came over to this country in those troublesome times. They became, I may say probably

temporarily, our friends, became our experts and thus we were able to send to themselves more and more than we ever received anything from them. Now, Sir, is the time for the Honourable the Commerce Member to tell them -- we have stood by you at critical times and when you had a very few friends and very few markets around you. Your own markets from where you used to get things were actually shut out. The policy, therefore, in all fairness and for what we have done should be adopted in those countries which should be such as to give an equitable treatment to the Indians. I again want to tell the Honourable the Commerce Member that the department of Commerce should not copy entirely the rules that are being adopted in England. They are well organised. Their list of exporters is so very complete. In their case, exporters means exploitation, it means everything for that country. The Eastern Branch of the London Chamber of Commerce is the powerful if not the most powerful body in the British Empire. What they want the British Cabinet will do. I have been in England. I have studied this. If the Eastern Branch of the London Chamber of Commerce wants a certain policy to be adopted in a certain colony or even in the dominions or any foreign states, the British Government must endeavour to carry that out. That is the position. So far as our Government is concerned, I know that they will do their best. Even the Finance Member and all the others will do their best but we know their limitations. So long as nobody interferes with them, they will do all they can for this country. Even if somebody interferes, they will do their best but we know that the predominant voice of the Master will prevail. I have worked as an Assistant and also as the manager of our firm of which I have become the partner. I know many instances in which I did my best but if my manager ordered me to do a certain thing, I have had to carry out the orders willy nilly. I am not trying to blame my Honourable friends on the Treasury Benches. We have got to take these facts into consideration when I am speaking seriously. I have been blamed by some of my friends for having welcomed the expanded Executive Council. Sir, I am proud of them, I welcome them and I still wish that they should remain there.

Seth Yusuf Abdoola Haroon (Sind: Muhammadan Rural): After all this.

Mr. Hooseinhoy A. Lalljee: Yes, after all this. As a businessman I realise the practical position in which we are. I must appeal to them in order to strengthen their hands and I am sure the result will be good unless and until you are able to do something more substantial and something more powerful than what exists.

Seth Yusuf Abdoola Haroon: Your appeal will fall on deaf ears.

Mr. Hooseinhoy A. Lalljee: I sympathise with them in their position and I appeal to them to be more watchful and careful in view of the position that exists now.

Sir, in the month of March last, the East African Government, the Tanganyika Government, the Uganda Government and the Kenya Government sent out their representatives to India. Their purpose was that they wanted to establish a Corporation most probably like the Great U. K. C. C. to deal in piecegoods first and later on for all goods. From the reports that we got then we put ourselves in contact with our Government, we were assured that our Government will not readily agree to what they desired but would help us. These gentlemen came to Bombay and flew over to Delhi and they came in such a confident way that they really created a stir in the minds of the businessmen in India and also in the minds of those Indians who were connected with East Africa and who knew the position of Indians there. The representatives of these four Governments came down to Delhi and they wanted to have the sanction of the Government of India or the goodwill of the Government of India in the Commerce Department to form at once a Corporation. It did strike me that we should at once seriously find out their intentions. Their intention was to keep business in their hands and to arrange later on as they like and to see that all the profit that was being made by different trade channels may be reduced to some extent probably in the interests of the consumer at

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present and even at present some profit should go to their Governments. I must admit, and I am not ashamed to own it, that in the Supply Department and in other Departments we did our level best to meet the requirements of our defence forces and we were led to believe that the requirements of the U. K. C. C. and Eastern Group were also as vital and important and their requirements were also to be met expeditiously and as economically as possible. We agreed to that and it is a fact that everything we purchased for the U. K. C. C. and Eastern Group in the first two years was through the Supply Department by tenders or negotiations or by the best marketable method at very reasonable marketable rates. Every indent that was placed was scrutinised by our Finance Department in the same keen and clever way as they do in the case of all the purchases for Defence that we made. Later on, it transpired that this U. K. C. C. was not only a British body or a national body but it has been trading in all those things that they had purchased in India, trading in the sense that they bought their requirements through our Government agencies and sold the same at high profits everywhere. They are buying directly now but during the first two years they did buy through the Government agency and it must be said that they did sell those articles at a good profit outside. When this was still going on Mr. J. H. McQuade representing H. M. East African Government, Honourable Mr. Stone, the representative of the Government of Tanganyika, Mr. C. J. Damala representative of the Government of Uganda and Mr. Mandalay, the representative of the Government of Kenya came down and thought they should also be so successful in working their contemplated Corporation. May I ask my friends on the Treasury Benches, especially my friend the Commerce Member, why are they not creating an Indian U. K. C. C.? I will give one instance. Only recently it was said that tea purchased in India by certain agencies is only provided with shipping space and they are allowed to be exported by that certain agency to Egypt, Cyprus, Palestine, Syria, Iran and other places. Tea which costs Rs. 1-8-0 per lb. here is being sold by them at Rs. 11-8-0 per lb. outside India. I have got the facts and figures with me but I do not want to place them before the House. I have got the figures of Egypt, Palestine and other places at which the U. K. C. C. has been selling Indian products and my Honourable friends of the Treasury Benches must know the price at which they bought in this country. Let them work out the profit. I admit I have been a member of the Supply Committee and I can say that every endeavour was made by the Supply Department, duly checked by the Finance Department, to purchase articles for our defence services and other purchases required as economically as possible. The same precautions were taken with regard to the goods that were purchased for the Eastern Group Council and for the U. K. C. C. At the present moment, it is said that the U. K. C. C. is not directly coming out. But again, I ask the Commerce Member to consider whether . . .

The Honourable Sir M. Azizul Huque (Member for Commerce and Industries and Civil Supplies): What can I do if you supply to the U. K. C. C.?

Mr. Hoosainbhoy A. Lalljee: I am very sorry and it pains me to hear that the Commerce Member says that we supply to the U. K. C. C. I have admitted that we did not know that the U. K. C. C. was a business firm and that our Government was helping them for solid 2½ years without disclosing that fact even in the Supply Committee. We did not know that Government was purchasing at rock-bottom prices for that institution. At the present moment, the position is different. But my Honourable friend, the Commerce Member, should not only have drawn our attention and the attention of the country and the attention of the Honourable the Finance Member to it.

The Honourable Sir M. Azizul Huque: I am not a member of the Supply Committee.

Mr. Hoosainbhoy A. Lalljee: I am only asking him that as a Commerce Member he should have done it. It is a matter of commerce, pure and simple in the first instance then of Finance and Supply Members.

Then, the Honourable the Commerce Member has got to give an explanation about another thing. We know very well that his Department has been working very hard to distribute quotas as equitably as possible but I submit the old monopolists will get them. The Honourable the Commerce Member has told us that he will try his best to help the new comers if he is satisfied about their *bona fides*. I give him credit for that. But then what about the allotment of shipping space? How is he going to help the Indian commerce there? It is not easy to get shipping space even in the ships owned under the Indian Register. It is said he has got no voice in allotting a space in the ship. If I am wrong, he will correct me: You encourage the new comer to do business; you help him with all your goodwill; and you give him the quota of goods also, but there is no carrier for him. I ask my friend the Honourable the Commerce Member if he is not entitled to ask his colleague the War Transport Member to help him.

The Honourable Sir M. Azizul Huque: For the last four months I have been going round the different provinces and a complaint of this nature was never brought to my notice.

Mr. Hoosenbhoy A. Laljee: Thank you very much. But I wish he makes careful and due enquiries. I am quite sure that so far as the allotment of space for export is concerned, I do not want to fling at the present moment the number of applications made and the allotments actually made to the different people, not for three months, not for six months, but for a whole year, and in some cases the allotment of space was nil absolutely. If only my Honourable friend will refer to his file, enquire of Indian Chambers and Shippers Associations he will find how many export permits have lapsed because shipping space has not been given. Surely you do not mean to suggest that at the present moment, when there is an opportunity to make some profit, when we find that foreigners who get space allotted to them regularly get goods for Rs. 1-8-0 and make a profit of Rs. 11-8-0 or something like that on that transaction, surely you do not expect Indian businessmen to keep quiet. I hope my Honourable friend will do something to improve the serious position as regards allotment of shipping space. When these gentlemen come down here to Delhi, let it be said to the credit of the Honourable the Commerce Member and his Department that he did insist on the rights of the Indian people to trade with Arabia, Syria, and East Africa and South Africa, but he has not arranged shipping facilities. This is the first occasion I find of the attitude of the Government of India against the representatives of Colonial Office in a strug, upright and straightforward manner. This is the first occasion I see that the Secretary of State has not interfered in this matter in favour of Colonial Governments' representatives. All credit is due to the Commerce Member and his Secretary and the Department. These four gentlemen from East Africa Governments when they visited Delhi at the end of March 1943, I believe they saw first the Commerce Department Secretary and they were rightly and properly directed to get into touch with us, who were then in Delhi, that is, myself and my friend the President of the East African Shippers Association, at 8, Windsor Place. We told them clearly about the position of Indians there as also the opinion of the people in India and further that we would not make any shipment to East Africa if ever a Corporation was formed by them. Let it be said to their credit that they immediately agreed with our view and left for Bombay and as agreed in Bombay they entered into an agreement and this agreement was a remarkable document having been signed by (1) J. H. McQuade, Esq., representing His Majesty's East African Governments, (2) The Honourable Mr. R. V. Stone, representing Tanganyika, (3) C. J. Damala, Esq., representing Uganda, (4) Meghji K. Malde, Esq., representing Kenya, on behalf of East African delegation, with the Africa Shippers' Association represented by (1) the President, Dawood Hajeer Nasser, Esq., (2) Tayabali Adamji, Esq., Vice President, (3) and (4) Amritlal K. Kanji, Esq., and R. B. Patel, Esq., Honorary Secretaries and (5) and (6) Ghulamhussein Moledina, Esq., and Ebrahim Maji, Esq., members of the Managing Committee.

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After this agreement was signed, happy relations were established. I do hope that the Honourable the Commerce Member will see that they stand by this agreement. I must say that the Honourable the Commerce Member should encourage those who have now taken interest for the last four years in importing certain articles and he should not restrict it to the quota system which is only applicable to more organised country like England where everything is well known.

The Honourable Sir M. Azizul Huque: I want to be quite clear on one point. Does the Honourable Member mean to say that we will disturb established traders and not give them quota but give to those who for the sake of getting high prices in those countries now want to go into the business and that we should encourage them. Let the point be made clear.

Mr. Hooseinbhoy A. Lalljee: I am very glad that that point is now put to me. It is no new point. I have heard it *ad nauseam*. What I have been impressing upon Government is that the condition in England and the condition in India are not quite the same. In England as my Honourable friend knows the industries are well organised, so well organised that if the export of an article in a certain year is less than in the previous year, full explanation is called for why the export quota has been reduced. Sir, the import and the export of goods into this country and from this country before the war was solely confined to some Indian firms and we know under what handicaps they carried on the trade. During the last four years we have made some improvement. We have been building up our exports and imports, we have spent crores of rupees and thousands of people have been employed in it as also in small and cottage industries. What are you going to say to these employees and what is going to happen to capital invested. Do you say that the same conditions today prevail in Indian business as was prevalent before the war? Does the Honourable the Commerce Member suggest that India of today is the same as India before the war, and therefore he should go on encouraging only those acknowledged shippers who have been carrying on trade for the past several years and not to encourage or allow others? Have we large number of shippers? Certainly not. He must take the condition that is prevailing now, he must look to the changes that have taken place now. If he has not got sufficient staff to deal with all these things, let him get the necessary staff. Surely we have not wasted all these four years only in the hope that we will help the war endeavours and war industries and be left in the cold afterwards. Surely we also want our trade to be developed for all times. Not that you should ever allow these monopolies to remain in the trade without giving an opportunity for all enterprising Indians to carry on the export and import trade. I may add that many of these foreign agents are *benamidas*. They have no firms of their own. They have got only their agents here and they are able to make lot of money. The Honourable the Finance Member is here but he can take a share only from Indians. He tells us if you make lot of money, he will levy taxes and even E. P. T. The same thing is going on in England also. Of course, my friends of the European Group often say that in England and some other countries there is the great public conscience. They do not make in times of war lot of money, they even say it is not at all right to make any profits. But, Sir, the fact is there that they have also got E. P. T. levied on them. If there is public conscience in England, there is also the E. P. T. in England. So far as I am concerned, I am making profit and, therefore, I say the E. P. T. must come and still I am told that public conscience has not yet developed to a sufficient extent here in this country. This is the argument. Wherever E. P. T. is there it must be taken, the people have got the same mentality. It is nothing different in England or something different only in my country. Nobody can deny this.

Again so far as supplies are concerned, I will tell the Government that our commercial people and labour have been working as much as they can possibly do. There have been no strikes in this country.

Mr. N. M. Joshi (Nominated Non-Official): You put people in jail.

Mr. Hooseinbhoj A. Lalljee: There have been strikes in America during war, there have been, during war, strikes in Great Britain. Where is the public conscience or public sense of duty gone in those countries? You come and talk about public sense of duty only in India.

The Honourable Sir Jeremy Raisman: Strikes among colliery owners.

Mr. Hooseinbhoj A. Lalljee: Poor underpaid ill-clad as we are, you find no strikes here. I am proud to say that there is a real public sense of duty in this country. You say you will follow the old principle during war, that you will not make any changes, you will make no deviation, you will give no consideration to the conditions here in India, that you will give no consideration to the development of trade in this country. That is what pains me most. Under these conditions, how does it lie in the mouth of the Honourable Member to say: "Do you want those people who have recently come into the trade to make money and to replace those who are in the trade much longer?" I say, certainly we have the right to get much more part into the trade. You have given them five long years. Nobody can deny that they have made large sums of money. Nobody grudges them their profits during these past five years. It is not and cannot be said that they have become helpless or hopeless. All the same by all means do not stop them, keep them up and I am also for them and also I am for all regular business, but at the same time encourage new people. Do not follow blindly what other people say. They are interested. They have been well organised for years and they spent through their Governments crores and crores, their export and import means really their Government and please remember they are not a subordinate department of the Government as the Commerce Department is in this country.

Now, Sir, I come to the Supply Department. I find the Honourable Member for Supply is not present in the House.

Mr. Deputy President (Mr. Akhil Chandra Datta): May I draw the attention of the Honourable Member that certain arrangements have been made regarding the time-limit and according to that time-limit which he promised to keep within, he is really encroaching upon the time of other speakers?

Mr. Hooseinbhoj A. Lalljee: I was never a party to any time-limit. I was not a party to that arrangement. If somebody has told you that I agreed to some time-limit, I am not responsible for it. I should get my chance of speaking. Two gentlemen before me occupied more than one hour each. I feel I must have my say.

Mr. Deputy President (Mr. Akhil Chandra Datta): If the Honourable Member is not a party to that arrangement, there the matter ends. I cannot subject him to that arrangement.

Mr. Hooseinbhoj A. Lalljee: Thank you very much, Sir. With regard to the Supply Department I find the Supply Member is not here but I feel most the absence of my Honourable friend, Sir Yamin Khan. A lot is being said about the Defence Consultative Committee and the Supply Committee. I happen to be an unfortunate member of these committees for the last three or four years,—unfortunate because my friends consider that we have not been able to do anything. Sir, when millions of our people are fighting, when we are supplying crores of rupees worth of goods, when it is necessary for us to look after the interest of those of us who are in the fighting lines and also to develop our trade, commerce and industry, if those people who know very well the situation in the country refuse to take part and become members, I must say that they are not right in saying that those who have taken part have done nothing. If you are not a party and do not know anything about it, it is not at all fair that you should criticise those committees or your own members. The reports of the Supply Committee are not published but crores of rupees worth of business is placed before the Committee to show that they are transacted by tenders, by negotiations and by panel arrangements. I have not seen another department where in every instance of purchase the cost is worked out by an independent agency as in this department

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which is the finance department. In every one of these purchasing departments in the Supply Department there are attached a number of financial advisers and assistant advisers who are directly under the Finance Member and not under the Supply Member or his Directorate, and I must add that this practice is also followed in Food Department. In speaking of corruption one has to consider all this. You have also to consider that there is an indirect check over these things. Every assessee has to place his books before the income-tax officer and the income-tax department is under the Finance Department; and although everything that comes to the Income-tax Department is marked private and confidential we know very well as businessmen that the Finance Department experts are the watchdogs of these Supply Committees. This is a sufficient check, but still I do say that people have made money. But there again you have to remember that if huge requirements are there far-sighted businessmen will surely make money as they will keep stocks in hand and not because the people in the department are corrupt; further it must be remembered that with all this care the department has to buy goods from time to time at the prevailing market rate when buying is made and those even then who have made profits owing to their foresight have to pay excess profits tax as well. Of course, in every big department, whether the Supply Department or a big business firm, there is some corruption here and there; that is part and parcel of business. I do not know if any businessman present here can say that in his office there is no *buckshesh* or bribe; even a *chuprassie* has to be paid something. But if that is magnified I am sorry. But as one of those who have been serving on this Supply Committee, I do say that the business is done after having been fully checked by the Finance Department. Their costs are taken into consideration and in order to have from all parties at an uniform rate and to see that extraordinary advantage is not taken different panels have been formed. I wish the Supply Member or some other Honourable Member would make it a point and take a day and explain the position here. But to say that there is great corruption in the Supply Department or Food Department because people have made profits is hardly fair, let me tell you again people will make profits if they are far-sighted enough. The department is working very carefully and to my mind the check exercised by the Finance Department is a very salutary one, even then if my friends want to go into these matters I am not against that.

Sir, I should like incidentally to mention one thing which I forgot to mention when I was speaking about the Commerce Department. I should like the Commerce Member to consider the position of the seamen. I know that he is doing his level best in their interest and no one can take better interest in the seamen than he is doing. From inquiries I have recently made I know that he and his assistants are busy in doing all that he can. But it is an acknowledged fact that in the last war and in this war the shipping companies have all made enormous profits. In the last war a company was sold for 12 lakhs just before the war started or in the first month of war and at the end of 1918 that company with its assets was worth one crore and 44 lakhs. I will give another case. A company on the Indian register when this war started had assets worth about 2 crores; now it is well worth four crores. All over the world shipping companies are making enormous profits. When the textile mill-owners and the mineowners are asked to pay more to their workers may I ask the Commerce Member, who I know is doing his level best, to insist on these companies who have made crores and crores to pay more to their seamen? And what is the condition of these seamen? They have been very often torpedoed and thrown into seas and sails nowadays are liable to be torpedoed by submarines not only in the Indian Ocean but also Mediterranean and in the Atlantic and Pacific Oceans, and if there is one class of workers today who are exploited and paid much less than they deserve, it is the Indian seamen. Profits worth crores of rupees have been made by companies employing them but not one word about them is heard from Government.

An Honourable Member: What is their pay?

Mr. Hoosainbhoy A. Lalljee: I will not mention it; it is very poor. The mere mention of it will perhaps make the Finance Member say, "I cannot say anything about inflation here". I do wish that Government as such should work in such important matters as a team because I feel one member will not be able to stand up against these most powerful people as the shipping companies and the powerful British interests. The further trouble is that because these seamen are not well paid, the lascars in the Indian navy are also not at all adequately paid. The other day their condition was described by my Honourable friend, Sir Frederick James. I entirely agree with him. I being a little older member than he is do entirely agree as a member of the Defence Consultative Committee with all that he said with regard to the Indian army and navy; and all that I submit deserve the best consideration of not only of Government but also of the people at large. We are lucky, better off than many because of their sufferings and sacrifices; and I appeal to Government to work in the direction suggested by Sir F. E. James and in the direction I have suggested to the Commerce Member who, I know, is moving in the matter. I request him to ask these people frankly to show him what profits they have made. Sir, there are only two or three big companies on the Indian Register, but there are many on the English Register who employ Indian seamen and are regularly plying in this country and yet they are in no way under the Government of India; they are working absolutely independently of them; the Treasury Benches have absolutely no control on them. Probably now the War Transport Member will get up and say that the Special Officer or officers who allot shipping space on steamers on the foreign register are under him. I doubt it, and since no one will ever now contradict my statement I am convinced that my observations in this respect are entirely correct, namely, that there are shipping concerns, in which some Government may be interested—let it be Great Britain or America, which are working absolutely independently and are exercising all the rights of allotting shipping space thereon and doing what they like. I want to know from my Honourable friend the Leader of the House, whether such instances have ever happened or could have happened in any other country that some outsiders can work in a country without any control or supervision of the Government of that country.

Sardar Mangal Singh: Is it U.K.C.C.?

Mr. Hoosainbhoy A. Lalljee: I will not give names; the Honourable Members on the Treasury Benches know too well, and they must explain.

Maulana Zafar Ali Khan (East Central Punjab: Muhammadan): Why do you hesitate to expose them?

The Honourable Sir M. Azirul Huque: Because he is speaking without facts.

Mr. Hoosainbhoy A. Lalljee: Well, you please rise and then reply on behalf of Government. I can tell you definitely that foreign shipping and even Indian shipping allotment is not at all under the Government of India. I know they have appointed an Indian as a Deputy Controller of Shipping.

Then, Sir, with regard to the Food Department I have only one observation to make and that is unless the Government are prepared to make a serious attempt to import fertilizers, tractors and other necessary agricultural implements and try and manufacture these in India as early as possible, it is very very difficult now to meet the requirements of this country. As I have already pointed out earlier in my speech, we have exported a lot of our food while starving millions of people in this country and if today other countries are helping us a little or are prepared to help us, we are, I mean, our Government are expressing our gratitude to them even before we actually receive anything from them, although I know that the countries to whom we had been supplying foodstuffs did not even acknowledge receipt of those goods. We do not know where the goods were sent. Anyway, Sir, if we get something from Australia or Canada we will express our heartfelt gratitude for that, and I would ask my friends on the Treasury Benches to tell these people and those whom we have been supplying foodstuffs including the Americans that we have stood by them and now we are badly in need of food and they must come to our help. There are so many American troops in this country and that is all the more reason

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that foodstuffs should be supplied to us. No doubt they have come to fight and throw back the Japanese but I will not agree if anybody says that the Americans and other troops which have come to my country have come to defend India. No, they have not. They have come to reconquer the countries which they have lost; let them not boast that they have come to defend this country from Japanese aggression. We can and we are prepared to defend our own country, but they have come for their own objective and should not assume the role of protectors and defenders.

Let me warn the Government that it was not fair on their part to hand over the Assam-Bengal Railway's management to Americans. Are we not able to manage our own affairs? If they can provide men why should those people not work under our command. If they cannot work under our command, what right have they got to expect our people to work under them? These Americans have been given certain rights: whatever rolling stock they want we are, it is said, supplying them and at our cost. I want to know from the Honourable the War Transport Member whether it is a fact or not that at their instance he has indented for 500 metre gauge engines and out of these 337 are going to be supplied to them for the Assam-Bengal Railway. Who is going to pay for these? After the war ends within six months or a year, who is going to bear this burden; it will mean nearly eight crores of rupees debt on the Railway.

The Honourable Sir Edward Benthall (Member for Railway and War Transport): We want locomotives.

Mr. Hooseinbhoy A. Lalljee: I know you want a few for whole India but certainly you don't want all these 337 for Assam-Bengal Railway. The total number of locomotives on this Railway is 205 and now you are arranging to supply them another 337. I have got some of these figures from the Administration Report of Assam-Bengal Railway.

Now, we come to wagons. You have indented for 11,000 metre gauge wagons for Assam-Bengal Railway. It is really and legitimately a war expenditure and this burden should not be thrown on the Assam-Bengal Railway, but as War expenditure incurred by Americans according to their War plan. And let me make it clear, Sir, that these and such are the adjustments we want the Finance Member to look into very carefully. These indents have been placed by the American agency which is working our Railways and we have to see how much of it is a fair legitimate charge on the Railway or how much of these extra requirements are because of the war. We want these things to be explained and to be looked into always by the Finance Member and the Honourable the War Transport Member. If they have no choice but to hand over the Railway to others,—they have powers to keep a check, I believe,—and I must ask that they should not let the Americans bill against us; they should pay from their own pockets. Tell them, "*Baba!* if you want these things, have them, but pay for them also".

With regard to aerodromes, Americans have built many aerodromes in India and they have spent their own money. In some cases, the Supply Department and the Military Department have helped them to build after making careful enquiries as to the cost. It is true that they have paid for the cost of building aerodromes but what right have they on the land which they have used for their aerodromes. It has, it is said, adversely affected our interest and we had no voice in the matter. I am glad my Honourable friend, Sir Gurunath Bewoor, is here and perhaps he will tell us what right they have been made to confer on the United States people in respect of land which has been given to them for building these aerodromes. We hear in the Papers that they say that those aerodromes they have built that after the war they will have the right to use them. Surely the Posts and Air Department of the Government of India will give them all the facilities during the war, but after the war, let me make it clear that no foreign nation will have any sovereign right on even a little bit of India and India will see to that; this I say as I know my people all over the country are definite on this matter.

Sir Gurunath Bewoor (Secretary: Posts and Air Department). I have stated before, Sir, that no question of sovereign rights has ever been raised or admitted.

Mr. Hooseinbhoy A. Lalljee: I am very glad. But may I ask as a business man whether some vested rights have been given that after the war they can have the right to use them?

Sir Gurunath Bewoor: No, Sir.

Mr. Hooseinbhoy A. Lalljee: It has been said like that in the American Papers, and I am glad that my friend, Sir Gurunath Bewoor, denies it. That is the way to do it. Let the Americans know it. I hope that that is the right reply and I hope that Sir Gurunath is really giving that reply not only from his information but on behalf of Government and that he has also gathered that no agreement has at all been concluded behind his back. However, let me say usually, the American people will not make such mistake when speaking. I shall be very glad if really my friends in the Treasury Benches will definitely say that we will give all facilities during the war but after the war everything in our own country will be ours; no rights whatsoever to anyone after the war in this country!

I have still a lot to say to my friend, the Honourable the Commerce Member, with whom I have just made a little agreement to give him sufficient time as soon as I can.

Mr. Deputy President (Mr. Akhil Chandra Datta): What does the Honourable Member say; that there is an agreement?

Mr. Hooseinbhoy A. Lalljee: There was just now a talking agreement between us.

Mr. Deputy President (Mr. Akhil Chandra Datta): I am definitely told that there was some sort of an arrangement about time, under which sufficient time must be left for other gentlemen, and the Honourable Member has already taken more time than allowed to him.

Mr. Hooseinbhoy A. Lalljee: With due deference

Mr. Deputy President (Mr. Akhil Chandra Datta): No reply is necessary.

Mr. Hooseinbhoy A. Lalljee: I am going to use a little more time only with the object of saying that the agreement just now made by me with Commerce Member was merely in the form of a talk and since I shall have ample opportunities hereafter, I am concluding and I finally say that no doubt a great deal of trouble has been taken by the Finance Member to present this Finance Bill before us but we must be convinced against many of the items about which I have drawn the attention of the Honourable Members.

[At this stage Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

The Honourable Sir M. Azizul Huque: I am afraid I will have to rush through at the highest speed if I am to reply to all the points that have been raised. It is only fair that I should try to give the replies to the points which have been raised without entering at this stage on any discussion on a controversial plan. Sir, let me first take up the question of the export position. Our general policy in regard to export trade control has been to ensure that existing trade channels were not interfered with and to preserve the pattern of trade as it existed before the imposition of restrictions. Export is allowed to shippers who were in the export trade in the basic year, in many cases as in 1941-42. Hard cases are also considered on their merits. Therefore, the principle which we follow is that we find out what has been the export position of the shippers in 1941-42.

Seth Yusuf Abdoola Haroon: There have been new shippers also.

The Honourable Sir M. Azizul Huque: I am coming to that. At a time when export is considerably less than what it was, say in the years 1937 and 1938, it is extraordinarily difficult to drive out one shipper in the business to encourage another new shipper who is coming for the first time into the trade. Let me be quite clear. I do not think that my friend, Mr. Lalljee, if he had been in my position would have been able to turn out one of his old officers or assistants only to bring in a new one, because the new should be encouraged.

Mr. Sami Venkatchelam Chetty (Madras: Indian Commerce): Was the U.K.C.C. a new one or an old one?

The Honourable Sir M. Azizul Huque: If my friend has patience I will deal with it.

Seth Yusuf Abdoola Haroon: You had new shippers also.

The Honourable Sir M. Azizul Huque: In that basic year, every one who was a shipper, new or old, has been given a quota. If after the basic year some extraordinary circumstances brought in new shippers, I am prepared to consider their cases. But do remember, that once you deviate, it will be open to so many controversies. Every new man will try to get in and many allegations will be made

Mr. Hooseinbhoy A. Lalljee: What about the new markets?

The Honourable Sir M. Azizul Huque: In Calcutta?

Mr. Hooseinbhoy A. Lalljee: The new markets that we opened out in Australia, New Zealand, South Africa?

The Honourable Sir M. Azizul Huque: I do not feel I can reply off hand to this point. I do not know, if my friend had any opportunity at a time when shipping space was not available for the goods we had to send beyond, that he had been able to open new markets whether in Australia or elsewhere, which does not matter.

Mr. Hooseinbhoy A. Lalljee: Australia has become a new buyer for us.

Mr. Hoosident (The Honourable Sir Abdur Rahim): Order, order. The Honourable Member should not go on interrupting like this.

The Honourable Sir M. Azizul Huque: Every bit of this buying in war conditions is controlled by the Government of the country, and if the Government is making purchases it is for a definite war purpose and for that the market is already there. I will be glad if India can have all the markets round about India immediately after the war, and I am quite prepared to consider the question as to what should be done with a view to take that step.

Some criticism has been made as regards the export advisory council. This was constituted in May 1940 with representatives of trade and commerce. The committee met five or six times. The last meeting was held in January 1942. But thereafter, Sir, the whole picture of the export trade was changed. There was very little export owing to abnormal conditions existing in 1942 and 1943. My friend knows the then insurance rate from Calcutta to Bombay. My friend knows the then insurance rate from Bombay to London. It is easy today to criticise us saying, why didn't you continue these things in 1942 and 1943. Thanks to the Allied armies we are now in a position to consider the export trade which we were not in a position to consider in 1942 and 1943. Therefore, for 1942 and 1943 these advisory committees had practically no function. The sudden change in the war situation has brought about a corresponding change in the trend of the export trade and here Mr. Lalljee will remember that I am keeping note of the new markets which are being opened and which are going to be opened

Mr. Hooseinbhoy A. Lalljee: Thank you very much.

The Honourable Sir M. Azizul Huque: . . . and in order to do that, long before the discussion in this House, I had initiated a proposal to reconstitute the export advisory council. We are consulting the Chambers of Commerce in the different parts of the country and I hope that very soon the Council will be reconstituted on a new pattern.

Somebody raised the question that the export of mother-of-pearl buttons had been prohibited. Up to the end of December 1943, these buttons were permitted to be exported by shippers on the basis of the exports made by them in 1941 and 1942. But exports were very small. Still certain quantities were allowed. Subsequently we were advised by the Supply Department that buttons of all sorts were in extremely short supply within India, so much so that some of the essential requirements had to be imported from abroad. In view of the fact that we had to import buttons for the defence requirements in the Supply Department, we thought that it was no use allowing our buttons to go to Ceylon and Africa and getting the same things with the difficult shipping position from abroad, and the export of mother-of-pearl buttons had, therefore, to be stopped

completely. I completely contradict the fact that licences are given to European firms up to 90 per cent. of the quota figures. This is not correct.

4 P.M.

The export trade of the country to a very large extent has been in the hands of Indians in Bombay, Calcutta, Karachi and Madras.

An Honourable Member: Who said this?

The Honourable Sir M. Azizul Huque: Somebody said. Whoever has done business in that basic year is receiving that quota.

As regards the U.K.C.C. about which my Honourable friend put a question, I think I have answered several questions in the House. We have issued a press communique, we have contradicted every statement that has been made. We have replied to the Chambers of Commerce organisation. I sometimes remember the famous lines—*invention is exhausted, reason is fatigued, experience has given judgment, but obstinacy is not yet conquered.* In any case I will say this much, that I have placed all the facts about the U.K.C.C. and even then if people are not . . .

Mr. T. T. Krishnamachari: Facts that were within your knowledge.

The Honourable Sir M. Azizul Huque: Yes. I am not gifted with prescience to know things in the astral regions. All I say is that even then we thought that the trade organisations are not yet satisfied, and I have just invited—in fact, a letter is being issued, orders were passed some time before, inviting representatives of some Chambers of Commerce who addressed us, to sit at a table with us and let us know the facts on which we can discuss the questions about the U.K.C.C. I can assure you that, even though we are for the time being in the Treasury Benches, we yield to none in our desire to see that Indian trade and industry prosper. It is a cruel tragedy in Indian life that an Indian in charge of the Department is charged with an accusation that he is not true to the interests of India. It is a tragedy that we have to witness, and I cannot say anything more. (Interruption.) It was said that the U.K.C.C. had a monopoly of the export of hides to Turkey. The U.K.C.C. have no such monopoly. The exports are taking place through normal commercial channels. It is true that certain complaints were received by us from the exporters in India that they were experiencing difficulties in obtaining declarations of ultimate destination from certain consular offices outside India with reference to the export of this hide. We issued necessary instructions as soon as we heard about it and we have issued letters to the consular offices that such certificates should be given. At present there is no impediment to the operation of the normal commercial channels in export of hide.

My Honourable friend referred to licences Nos. 114 to 118 issued by the Karachi Export Trade Controller, but subsequently cancelled. I do not know how these licences have been issued because private export of tea was prohibited with effect from the 15th December, 1942. I am making an enquiry into the matter and at a later stage if a question is asked I shall be prepared to answer that question.

Next comes the question of the import policy. A programme of India's essential requirements of goods of all kinds is prepared in advance for each six-monthly shipping period after consultation with all the departments of Government interested. Generally speaking, the test of essentiality applied is that goods are either required for war effort or for maintenance of the civil population in war-time conditions. Licensing, again, by import trade control is done on a quota basis, and quotas are fixed by the Chief Controller of Imports.

As regards consumer goods not produced in India,—reference was made to watches, for example,—our policy is to issue licences on a generous scale. It was at the instance of the Government of India that we took special steps as soon as the shipping position was better, to request the Secretary of State and H.M.G. to see that more consumer goods come to this country. As regards watches, may I give this information, that the value of watches for which licences were issued in July to December, 1943, namely, in six months, was Rs. 30 lakhs, and in the current year we have issued licences to the extent of Rs. 35 lakhs. Therefore, it is not correct to say that we are not doing our best to see that goods which are required by the people are imported.

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As regards plants and machinery for the production of consumer goods, as I have said, last year and the year before the shipping position was so extraordinarily difficult, the seas were so dangerous, the U-Boats were operating in such a manner that I believe this question was not raised. But to-day we are looking into this question, and in fact, in the Industries Department we have already invited the industrialists of this country to inform us as to what their requirements are, specially in the post-war period. We have issued licences on a generous scale whenever they have been asked for. The shipping position is now better and we are considering as to what extent licences for new plants should be given.

It is difficult for me to give accurate figures of all the different kinds of machineries, but I can say this that we have issued licences for import of paper machinery, sugar machinery, cigarette machinery, textile machinery, jute machinery, and other machineries during the last six months and even in the present quota period. As regards chemicals, which are the basis of all industries, and specially of certain essential industries like drugs and medicines, very large quantities had been licensed and have been actually imported. Licences, during July to December only of 1943, for chemicals were over 7 crores—that was the amount for which licences were issued. From January to June of this year, up to date, we have issued nearly about $4\frac{1}{2}$ crores of rupees. We are doing our level best with a view to encourage the import of such chemicals as are necessary for the trade itself.

As regards the Imperial Chemical Industries, Ltd., I have not gone fully into the circumstances of this case. All I say is that it is in consistency with the present policy that licences have been issued, and about which I have given a reply to this House. For the time being we have got two duties to look to. One is that commodities come to this country, but thereafter we are to ensure that those commodities are distributed to the consumers at a price which is reasonable in comparison with the landed cost. For a country of 400 millions it may not be possible for us to perfect a machinery by which we can adequately deal with hoarding and profiteering in every commodity. There are certain commodities which we are allowing certain firms to import on terms as regards the distribution to the public. So far as the Imperial Chemical Industries is concerned, their actual distribution system has so far been such that it has to a certain extent relieved us of the responsibility of taking charge of distribution. We aim to do so at a later stage in conjunction with other commodities which we wish to bring under control. For the time being, these are the principles under which we are working. To any importer who satisfies that he has got an export licence and shipping space from another country to import any commodity, import licences are being issued. In other words, if an importer says, I have got commodity, I have got shipping space, we freely issue licences. We also do everything possible to issue licences for the import of drugs and medicines.

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): How many such people are there, who are able to arrange such shipping?

The Honourable Sir M. Azizul Huque: It seems to me you are not in the business like myself.

Mr. T. S. Avinashilingam Chettiar: But you must explain it to non-business man.

The Honourable Sir M. Azizul Huque: There are quite a large number of businessmen who can arrange and do arrange in normal times

Mr. T. T. Krishnamachari: Yes, in normal times.

The Honourable Sir M. Azizul Huque: No. Even now.

Mr. T. S. Avinashilingam Chettiar: What is the number of people who are able to arrange shipping space? A vast majority of them are Europeans.

The Honourable Sir M. Azizul Huque: No. They are both Indians and Europeans and to my knowledge there have been several cases of Indian firms who

have told me that they have been and will be able to arrange for export licences at the other end.

• To continue, we issue freely licences for drugs and medicines. We issue licences for goods not produced in India, machine tools, etc. The only thing we are trying to check is this. After all, even though shipping space may be available, it is much more restricted than in normal times and therefore at some stage or other we have to be circumspect and see that instead of importing luxury articles such as nail polishes and glass wares we might give permission for licence for such commodities as are of urgent necessity in the present day. Therefore, Sir, my reply to the ex-President of the Indian Chamber of Commerce is that we don't issue licences for cosmetics for the hill-belles of Assam.

As regards the question of import advisory councils, it is true that there is not an import advisory council for India as a whole. We have taken up that question from time to time. We have tried to find out as to whether it is possible to constitute an import advisory council for India as a whole but it is extremely difficult. First of all, it has to be on a regional basis. Bombay has a certain type of import. Calcutta has another type. Karachi has another type. Madras has got yet another type and therefore we have been for the time being trying to utilise advisory panels for different kinds of commodities. For example, in Calcutta, there are advisory panels for engineering stores and jute mill stores. In Bombay there is an advisory panel which deals with the requirements of textile mills other than jute and hemp. The War Transport Department has set up a panel for the articles it requires such as spare parts for motor vehicles from the United Kingdom. In regard to the tea machinery, the Deputy Chief Controller of Imports, Calcutta, has been acting in close consultation with the Indian Tea Association. For newsprint, there is an advisory committee now functioning in the Industries Department. There are other panels or advisory bodies. A panel for licensing dyes and for textile chemicals has been set up in Bombay recently and an advisory committee for the licensing of raw cotton was also set up last year. Therefore, wherever possible, we have been trying to consult the trade interests in issuing the licence. With our proposal to set up an export advisory council along with the advisory committees which are functioning, we feel that we have been consulting the trade and the interests concerned as much as possible. But we do feel that the time has come when the consumers' interests must also be looked to. In other words, when we are importing or exporting a commodity, the ultimate factor is the consumer whose interest has to be considered, and especially in dealing with the complicated price questions which are being discussed today. I can give this assurance that the question of constituting a consumers' council in which all such questions which affect the consumers may not only be brought up but actively considered is engaging our attention and I hope that very soon we may be able to announce the composition of a committee of this nature which will represent all interests and all provinces in looking after the consumers' interests as regards price and distribution.

Dr. P. N. Banerjea: Will that be a nominated body?

Mr. T. T. Krishnamachari: What does it matter?

The Honourable Sir M. Azizul Huque: I can assure my Honourable friends that all nominations are not bad and all elections are not good.

Dr. P. N. Banerjea: Still, in a democratic age, we stand for election.

The Honourable Sir M. Azizul Huque: I am functioning under a system in which I find it is extremely difficult for me to have a consumers' council for all over India. I am trying my best to make it as representative as possible. That much I can assure you, that I am trying my best to make it as representative as possible.

Now, I might say that in dealing with these questions of consumer goods, the licences are issued from time to time, and therefore, what is imported or exported at one particular time may not be the same the next period. As soon as we came to know that the shipping position is better, we tried our level best to get more consumer goods into this country and the quantity which we would have got, if we get the shipping space, would be worth about 60 crores of rupees. Unfortunately, the position is that we have to get these consumer goods

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from other countries and unless the supply position there or the productive position there is such as to permit us to get these things and unless we can get all the shipping space we want, the position may not materially improve. We have been sometimes asked as to why we have been issuing licences. All I say is that it is merely an estimate as to what might be imported into this country during the next period of a year or so. But in any case, we have to work under various difficulties. One difficulty is the shipping difficulty. I wish India had shipping of her own, which would be able to run in the blue waters. (*An Honourable Member*: "Oh, oh".) Whatever your opinion might be, I yield to none in my desire that India should have a mercantile marine of her own.

Mr. T. T. Krishnamachari: That is a pious hope.

The Honourable Sir M. Azizul Huque: Piety is sometimes more of a virtue than mere negation. But that is not the position today. When my friend will be able to find that the position is better, I will certainly yield to none in my desire to do something at this end also, but the shipping is not at this end. The shipping is either in America or with His Majesty's Government. War is still going on in Italy. War is still going on in the Russian Front. War is going on in the Pacific waters and it is not reasonable to say to them—whatever might be your war situation, you must give space for all the consumer goods that we want in this country. There is the non-availability of the goods. My friends may or may not know that the production of industries in normal times is not the same production today in U. K. During my last visit to England, I went to a place, and I was told that near about that place there was a factory for treating a certain kind of fish and I was told that 95 per cent. of that factory has been converted for munition purposes. If you look at the conditions of factories in England, you will find that a very large percentage of it is now used for defence production. A very small percentage is kept for civilian goods. Take for instance, crockery. Even in England, you will not be able to get crockery of the kind that you might get in Delhi. I went about London and could not find a single one, except utility ones. Once I tried to purchase a fountain pen in London and I could not get any. That is the state of affairs in England. Therefore knowing that fact, it is not possible for us to say that you must send out so many Fountain pens or so much crockery. (*An Honourable Member*: "We do not want that".) At the same time, the things which we have been trying to import are really commodities which are to some extent essential. For example, as I have already said, we want printing paper, writing paper, match paper, stationery, hand knitting wool, wool fabrics, hosiery, razor blades, cutlery and things of that kind.

An Honourable Member: Whisky.

The Honourable Sir M. Azizul Huque: Of course, whisky to a certain extent also, because I have to cater to friends like you. I have sometimes to do that. Similarly, there have been other articles, such as, acids, medicines, leather manufactures, motor car spares, cycle spares. Then we also want certain spare parts for umbrellas because there is a big umbrella industry in this country which depends on spare parts from abroad. We have been trying to get those spare parts. We have been trying to get spare parts for all small industries. But, as I said, these whiskys are not directly imported by me. If my friends in the trade only want a licence, we cannot stop it. But I know this much that last year, about four or five months after I assumed office, I got hectic letters both from Indians and Europeans from different parts of India that there is no whisky in the market and will you, for God's sake, issue some licences?

Dr. P. N. Banerjee: Publish the names.

The Honourable Sir M. Azizul Huque: I wish I could publish all the names of the people who come to me.

Then, Sir, my friend told me that we have not been trying to help industries as much as we should. This complaint came to me from my friend, Mr. Ram Ratan Gupta. Now, we owe a debt of gratitude to Mr. Gupta and his concern for starting an aluminium concern in India.

Mr. T. T. Krishnamachari: It is not his concern now.

The Honourable Sir M. Azizul Huque: He started it. It is not proper for him to say that we have not done anything for him. When this factory was started, they wanted exemption from custom duties as a special case and the machinery and the equipment had to be imported in October 1942, within six months. In order that the industry may be started, he wanted that all duties on machinery and equipment for that factory should be exempted. We not only did that but as the articles could not be brought within six months we extended the time in order that all the articles which were ordered for the establishment of that factory might come to this country duty-free.

Mr. T. T. Krishnamachari: Extension is ordinarily given automatically.

The Honourable Sir M. Azizul Huque: I thought the Honourable Member was speaking about the first part and not the second. If my Honourable friend the Finance Member were here, he would have told him that exemption from duty is not granted so automatically. This is an exceptional case but we felt that aluminium is a concern which ought to be encouraged in India in the interest of the future of India.

Mr. T. T. Krishnamachari: Do they manufacture aluminium or alumina?

The Honourable Sir M. Azizul Huque: They are thinking of producing also the alumina at a later stage.

Sir, I do not think it is necessary for me to reply to the points about the industrial research. All I would like to say is that with the Council of Industrial and Scientific Research a considerable amount of progress has been made. Government originally granted 10 lakhs of rupees as annual grant.

Mr. Amarendra Nath Chattopadhyaya (Burdwan Division: Non-Muhammadan Rural): Will the Honourable Member give us some details.

The Honourable Sir M. Azizul Huque: I have got the full details but I have no time to mention them here. I can place them before the Honourable Member and he can read them. All I can say is that valuable work is being done and already with the 10 lakhs of rupees and the munificent contribution from Messrs. Tata's we have been able to make a good headway with the glass research station and the fuel research station for which 10 lakhs have been provided. Then, we are trying to have a national physical and a national chemical laboratory as well as a metallurgical research institute very soon and we hope that in the course of this year complete planning of all such laboratories will be possible. Quite apart from this, Honourable Members must remember that we have not been satisfied by merely doing that. We felt that the time has come when there must be a co-ordinated planning of industrial and scientific researches for India as a whole. India's future depends on the extent to which she can industrialise on modern scientific lines. For that scientific and technical assistance will be very much needed. My friends may know that already a Committee under Sir Shanmukham Chetty with Mr. J. J. Gandhi, Col. Sokhey, Sir S. Bhatnagar, Sir J. C. Ghose and others is sitting and the report of the Committee will be out within the next three months as to how further industrial research in this country can be carried on, to co-ordinate the activities of the Universities and to plan ahead the future industrial and scientific researches in this country.

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Have you accepted the recommendation of Sir J. C. Ghosh? He wants an annual grant of 25 crores of rupees for the promotion of industrial research.

The Honourable Sir M. Azizul Huque: We have also got a plan of 10,000 crores. As compared to that, 25 crores is a small matter. Sir J. C. Ghosh is a member of that Committee and for the purpose of future planning he has a full right to discuss this matter in the Committee. If a recommendation comes to that effect, I shall certainly be prepared to consider it on its merits.

Mr. Akhil Chandra Datta: The recommendation is already there. He has made it.

The Honourable Sir M. Azizul Huque: But that is the recommendation of Sir J. C. Ghosh personally. I have appointed a Committee consisting of Sir J. C. Ghosh and other scientists.

[Sir M. Azizul Huque.]

Now, I have to speak on the question of the price control. I fully agree that you have to impress upon Provincial Governments and the people of the country as a whole that no price control measure can be successful unless there is a unanimous effort on the part of everyone in this country to drive out the black market. Law can never make a perfect being. I have answered the question as to how we are dealing with this matter but please do remember that this Department of Industries and Civil Supplies came into being at a time when the index figure of all commodities was at its highest and we had barely about 8 months to tackle the problem. We have taken up the question of textiles; we have taken up the question of drugs and woollens; and we are very soon going to take up the question of cement and other articles. Under the anti-hoarding provisions we have fixed the prices of fountain pens, munitions, photographic materials, cycle and its parts, silk yarns and a few other articles. I do not think we have been able to do it badly. Take the textile item only. Thousands and thousands millions of yards of cloth had to be marked. We have evolved at least one principle. Any production in India of textile after last November must either be the standard cloth or Tex mark. There cannot be any other production. We take credit for the fact that we have been able to establish for the first time one uniform wholesale price and one uniform retail price for the whole of India wherever it might be sold. Sir, a machinery like that cannot be perfect in a day. I do not think even the giants of men can do it with perfection within such a short space of time. There must be defects and I freely admit it and I shall be very glad if helpful criticisms are made to me in order that these defects may be removed. But we have at least done something. We have at least brought the price of cloth down from the index figure 409 to index figure 280.

Sir, my Honourable friend Mr. Jamnadas Mehta repeatedly said, why do you give time to these dealers. What can I do? I make a law that production in August must be sold by February. I take it ordinarily that if he has got six months time, he will be able to dispose of the same. And he must get six months time. But if within six months the commodities do not reach him owing to some transport difficulty or other, and he gets only two months time, I ask my Honourable friend if it is fair on the part of any Government to penalise and confiscate his commodity as soon as the due date is over. (Interruption.) That is the only alternative left. Even then, we have given only two extensions, one extension was when we first promulgated our order; we decided that any cloth which was produced before that date must be sold by 31st October. That was a mandatory order. At that time when there was cloth famine in this country, no one in this country knew, not even ourselves that there were nine months production already with the dealers, but we soon found out that there were nine months production. After all the production of nine months cannot be sold in three or four months. Therefore we thought it reasonable to give them two months time more. After that we have rigidly adhered to that date and every cloth which was left over has been seized and is being marked by the Provincial Governments with a new price which is much less than the old price. Sir, what we have done within eight months is this. We first fixed the price of textiles, but thereafter the price has been reduced gradually and the price fixed today for March is at least 25 per cent. less than what we fixed in June. Three times the price has been reduced within last eight months. As I said, I certainly feel that quite a considerable amount has been done so far as textile is concerned.

As regards the question of distribution of standard cloth, I can say that we aimed originally at 2,000 million yards for the total quota of the year, but when we later on came to know that there is already about 3,000 million yards existing in the country, we had to slow down our pace, because it was no use throwing commodities if they cannot be properly sold. In any case, the transport difficulties are there, and from June till today, we have been able to send about 720 million yards of standard cloth throughout India. There are now Pro-

vinces which have now said that "we are now getting so much Tex-mark cloth and people have got so much money that they will not purchase standard cloth. They are going in for Tex-mark cloth", and therefore they wanted to reduce the velocity with which the standard cloth was being put on the market. In any case, there has been no extra demand. May I only say this much that there is no danger that the cloth price will rise again because, as I have said that if today if there is any cloth which is unmarked, it is subject to the penal provision of the Ordinance which has come in. There is no such danger. If there is effacement of mark, it will be the duty of the man to see that it is properly marked again. If any complaint comes to our knowledge, it will be our duty to enquire into the matter. Therefore the question as to whether it is a wholesale dealer or a retail dealer, whether it is an Indian mill or somebody else, all these questions are immaterial to me. So long as I have fixed the price for the consumer, it does not matter whether in the Mulji Jetha market, there are representatives of textile concerns or anybody else opening shops. Already our hands are quite full. As I have said we have reduced the price three times within the last eight months and we hope to continue to do so. Here, I acknowledge with gratitude the help that we have got from the textile mills and especially from the Textile Board. We have taken their advice in every step we have taken to reduce the price. We have received their full co-operation. I have not been able to contradict or confirm as to what amount of profit has been made by a mill. That is the one matter in which I have all along been most ignorant. I do not understand all the intricacies of the share market and of speculation that takes place there. I have therefore not carefully studied the profit incidence of Indian Textile Mills. But since this point has been raised, I will try to look into this question also and I hope later on to be able to satisfy my Honourable friend. Actually the wholesale index price of cloth when we took up was, 410 and it has come down to 230 last month, I do hope it will come down later on much lower still.

The question has been raised as regards the distribution difficulty in Assam. Assam is really a difficult problem because as the House knows Assam is served by a railway system in which it is not easy for Bombay or Ahmedabad millowners to take commodities there easily. Yet we have gone out of our way to help Assam in order to make the distribution easy. In order that commodities may go by ships instead of by railway, the Government have accepted marine insurance as their own liability. In other words, if any one wants to send goods by ship, then marine insurance is a liability which has been accepted by Government. We have also taken other special steps and I am grateful to my Honourable friend the Member for War Transport that the question of standard cloth has been considered as a matter of very high priority in the matter of transport. I know for myself that when there was acute cloth shortage in Bengal, we did our level best to send more supply to that Province. For the time being I am not yet satisfied, that I can freely say that actual distribution within the Province is yet fully satisfactory. But they are doing their level best. They have to deal with thousands of villages and it is no use my quarrelling over the matter because they have got the problem to see that it goes to the distant villages. For ourselves, we have taken the responsibility of not only manufacturing but reaching the commodity to the destination within certain areas and to the rail heads that may be made, and we are doing that duty.

Several questions have been asked about dry batteries and cells. So far this was being dealt with by the Supply Department; and the whole question of its price is now being considered in conjunction with the Supply Department by the Industries and Civil Supplies Department and therefore I am not able at present to say what the actual price is and how it was determined.

Next, my Honourable friend questioned me about certain newspapers which received permission and others which did not get permission. I have here a list before me of all newspapers which have received permission since the newspaper control has come. I am giving the names which have been given permission, all of which are exceptional cases on each one's own merits:

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- (1) The *Economist*, which is now called the *Eastern Economist of Delhi*.
- (2) *Burma-Nadu*, which is connected with evacuees from Burma.
- (3) *Mazdoor* of Calcutta devoted mainly to work among industrial labour.
- (4) *Polak W. Indiach*, for Polish refugees—fortnightly—a very small paper.
- (5) The *Utkalika*, a monthly of Orissa published in Cuttack.
- (6) The *Indian Journal of Horticulture*, which had been given at the instance of the Agricultural Department of the Government of India.
- (7) Then there is another Maharashtra paper in Bombay which was very strongly recommended for circulation among Indian troops overseas.
- (8) *Paigham-i-Sarhad*, paper consumption limited, but it was recommended by North-West Frontier Province.
- (9) A quarterly journal of Arobindo Library, paper consumption only 20 reams.
- (10) The *Indian Patents and Designs and Trade Marks Review*, a monthly of Calcutta, consumption only a few reams. My Honourable friend Mr. Chapman-Mortimer, knows that even a paper like this for which there is no other journal of its kind in India permission was refused, and it was only after repeated requests and because there was no other paper of that type and it is because Indian Patents and Designs have come more and more into prominence that this paper has been given permission.

The *Orissa Review* which is a magazine issued directly by the provincial Government; then there is *Shiksha*, a monthly in Lahore and the *Andhra Mahila* devoted to the uplift of Andhra women.

These are the papers which have received permission for using paper other than newsprint. As regards newsprint, it is definitely according to a quota principle which is fixed in consultation with the Advisory Committee, which is constituted of newspaper proprietors and editors.

Sir, I have been asked questions here for some time about communal percentage. All I can say is that I am satisfying myself that in so far as the Commerce and Industries Departments are concerned, there is an adequate percentage of Mussalmans in the various services. And even though I am not fully satisfied that Mussalmans have been employed in adequate number every where, generally speaking, efforts are being constantly made to do so. Some of our offices are located at Calcutta, Bombay, Karachi, Peshawar and other places and it is not always possible, where there is a small office of three or four people, to keep strictly to the communal percentage. But generally speaking I shall be able to satisfy that this percentage is kept up. A complaint was made the other day that in the offices which are under the Commerce Department in outlying places, such as the Export Trade Controller's office, such percentage is not observed. I had to send for these figures and I might give the information that out of a total number of 90 assistants in the upper division and lower division, as many as 39 are Mussalmans in this Export Trade Controller's office. Similarly I was asked by several Honourable Members about the Cotton Textile Directorate. I am particularly anxious that in this department Muslims should be adequately represented in the higher ranks; and I may say that out of officers in the superior ranks of gazetted status numbering 84, 20 are Mussalmans, even though the percentage according to the Bombay ratio should have been less. We have introduced in our department a system of getting regular information as to the percentage of Muslims and the percentage of other backward communities to see how many vacancies are there and how more appointments can be made.

Sir, I have only to refer to two or three other points. The first is the question of Indian seamen. I can assure my Honourable friend, Mr. Lalljee, that for the last two years I have been studying this question both at London and at this end. It will be my earnest endeavour to see to the betterment of the conditions of Indian seamen both as regards wages and also their working conditions. I have already taken up that matter and in fact I can say that

it is no longer a secret that one of the reasons why I had to come out to India was to represent the question of the Indian seamen's conditions as regards working hours and wages. But I do not agree with Mr. Lalljee that the shipping companies have not been sympathetic. I myself went from port to port in England to see the condition of the Indian seamen. It was not satisfactory. But I can say this that the British shipping companies, after I brought the matter to their notice, have been most anxious to provide the best of amenities and facilities for Indian seamen in the different ports. And I can testify without any contradiction from any one that they were most helpful in seeing that all the amenities that were possible for them to provide within their power were provided in all the important ports within the United Kingdom where Indian seamen have to stay. I am personally looking into the question of amenities for Indian seamen within India. I am not able to make a statement at this stage because my inquiry is not complete, but I am not yet satisfied that the amenities in Indian ports are all too satisfactory. I can say this much that the question will receive my anxious consideration and I do hope that sooner or later,—sooner, I hope, than later,—it will be possible for me to announce to the House that some ameliorative measures have been taken in this direction.

As regards the jute price I can say this only that we have conferred the greatest boon possible,—a boon which has been demanded by people of all ranks for the last 20 years,—by the steps which we have taken, namely, fixing the minimum and maximum price and ensuring that every bit of jute which is produced is purchased by Government if necessary. There has been some criticism as to why the price between the minimum and the maximum is so small and why the margin is not wide. Ordinarily one understands that the minimum must be low and the maximum must be high. But obviously again to benefit the cultivators, we did not want any middlemen to operate and hold on by getting the jute in order that they may sell it later on at a higher price.

An Honourable Member: Does that help?

The Honourable Sir M. Azizul Huque: I have gone from village to village in Mymensingh in order to restrict jute cultivation and I can say with a clean conscience that this is the biggest benefit that we can confer on the jute cultivators.

Sir, I will not take any more time; I will not enter into the political controversy. I shall not enter into the question of why we are here or why Government is continuing as it is, because it is very difficult to enter into questions like that. But let me conclude by saying one sentence. So long as any Indian feels that another Indian is not his brother but a traitor, other people will rule this country. So long as every man outside one's party is considered a traitor and not as good a citizen as a member of that party himself, there can be no political solution of the vexing problem which is baffling us today. The history of the past has repeatedly shown it. I can say this that even though we may not for the time being be able to ally ourselves with the different political parties or groups in the country, the interest of India is as dear to us as to any one else who may sit on the Benches of this House today.

Mr. S. C. Chatterji (Nominated Non-Official): Sir, I have very little in common with the Honourable the Finance Member. I have never been a pick-pocket, and I have never handled large sums of money; any figure extending beyond four digits confounds me and leaves me puzzled. I shall, therefore, leave figures severely alone. It is customary to mention facts in the same breath with figures. But I submit, Sir, that even though one may have no head for figures one might have a fairly lively sense of facts; and I claim to have such a sense for facts. I endeavour to be a realist in politics, as I have always been in my own pursuit of philosophy. The biggest fact, to my mind, in the present situation is the fact of war, and it is in the light of that stupendous fact, beside which every other fact pales into insignificance, that I view the financial proposals before the House. I also believe that India is not only a participant in the war, but that India is vitally interested in bringing this

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war to the speediest possible successful conclusion. I, therefore, entirely agree with my Honourable friends, Sir Frederick James and Mr. Jamnadas Mehta, that we today have to view the financial proposals before us in the light of these facts. I, therefore, give my wholehearted support to the financial proposals contained in the Finance Bill.

I pass on to another fact: the fact of the shortage of food supplies, the shortage which has had such disastrous and tragic consequences in Bengal and other parts of our country. I claim to have some sympathy for Bengal, because it happens to be the land of my ancestors. I find it somewhat difficult to understand why in that unfortunate land there should be, even when such a calamity has befallen it and, if certain ominous predictions should prove true, might again be repeated, why there should be such lack of co-operation, such mutual suspicion, as is evident from the reports one hears. My Honourable friend, Nawabzada Liaquat Ali Khan, is a Shakesperean scholar, he might therefore be able to appreciate this Shakesperean saying: "Adversity makes strange bed fellows." We, Sir, in this House have had an interesting demonstration of that truth on the opposite Benches lately. But I have been very much wondering why this saying of Shakespeare should not hold good at the present time in Bengal. There has been a good deal of criticism of the Food Department of the Government of India. It will be, however, admitted that since the question of food, particularly in Bengal, was last discussed there has been considerable improvement; and my own feeling is that if things are not better today than they are in Bengal the fault lies not entirely at the doors of the Government of India. Even Providence, Sir, it is said, helps those who help themselves; and unless all classes and communities and all parties in Bengal will make up their minds to put their shoulders to the wheel, I do not see how the very able and hard-headed businessman, who is in charge of the Food Department of the Government of India, is going to deliver the goods. He might be able to deliver foodgrains to Bengal, but the distribution of the supplies must inevitably be the responsibility of the provincial administration. Now, Sir, I am not in touch with conditions in Bengal and, therefore, I am not competent to pass any judgment as to what is the reason for this lack of co-operation, but my information is that so far, at any rate, as the main political parties in that province are concerned, with the exception of the members of the European Group, they are not giving their wholehearted co-operation to the present Government. When I turn, Sir, from that unfortunate province to my own province—the United Provinces—over which at present one single individual is ruling, for the same reason for which the Honourable Dr. Khare told us yesterday that he is here, I find a pleasant contrast. Things in the United Provinces have gone well, and they have gone well because the Government of the time has gained the confidence of the people. Not only have the United Provinces Government taken timely action in purchasing large stocks of foodgrains themselves but they have seen to it that at any rate in the larger towns of the province, though prices have been high, there has been no starvation. Reflections like these make me wonder whether, after all, one has not to agree with the saying of Dr. Johnson, the ponderous literary favourite of my Honourable friend, Mr. Krishnamachari:

"For forms of Government let fools contest, what'er is administered best, is best!"

And, Sir, that is my reason for giving my support not only to these financial proposals before us, but almost to all important measures put forward by the present Government. We have heard a great deal lately that the present Government of India do not represent the major political parties in the country. That is a fact which is patent to all, and I do not see that there is any point in rubbing that in too often. I support the present Government because, I believe, that that is the only Government that we can have, and, I sometimes feel, that we can have for a long time to come. I do not believe that in the present conditions anything like a party Government can work either in the provinces or at the Centre.

Mr. K. S. Gupta (Ganjam, *cum* Vizagapatam: Non-Muhammadan Rural):
Astrologer!

Mr. S. C. Chatterji: I support the present Government

Dr. P. N. Banerjee: True to your salt!

Mr. S. C. Chatterji: particularly because the Indian Members in that Government happen to be persons who are not directly connected with any one of the contending political parties.

Mr. K. S. Gupta: Gratitude!

Mr. S. C. Chatterji: They are to my mind people who can take a detached and a dispassionate view of affairs, and I believe that they are doing their honest best. I also believe that constituted as they are they are capable of working together as a team, as no party Government or even coalition Government could do in the present conditions in India. Having said that, Sir, I must from the somewhat narrower point of view of my own community make certain complaints against the present Government of India.

In the first place, I cannot help taking note of the fact that while almost all the important communities in India are represented in the Executive Council there is no Indian Christian in that Council.

Mr. Abdul Qayum (North-West Frontier Province: General): Step in.

Mr. S. C. Chatterji: I am not interested in getting any particular member of my community exalted to that position. I have drawn attention to this because I feel that this omission is possibly responsible for the somewhat studied and calculated disregard that is shown to my community.

Mr. Abdul Qayum: From such a perfect Government!

Mr. S. C. Chatterji: I also notice that in the whole array of Secretaries and Deputy Secretaries who sit behind, in this House and in the other House of the Legislature, to help the Honourable Members of the Executive Council, there is not a single Indian Christian. I refuse to believe that among the seven and a quarter million Indian Christians in this country it is not possible to find one gentleman of the requisite ability and of the requisite respectability to fill the position of a Member of the Governor General's Executive Council. I do not believe, Sir, that in this whole country there is not to be found in the services one Indian Christian who might be deemed fit to be made a Secretary or a Deputy Secretary.

Another important omission that I must mention is that, so far as my information goes, no Indian Christian has ever been appointed to the Federal Public Service Commission. I do not know how the matter stands with the representation of members of my community in the various services under the Central Government. I suppose our representation is governed by the Home Department resolution of 1934. Now, Sir, my community have never asked for communal representation in the services. We have always said that we want that the services should be manned by men who have proved their fitness for the posts that they are asked to fill. According to the Home Department resolution of 1934, Sir, all the smaller minorities were put in one box and were allotted 8 per cent. of posts. We Indian Christians have never accepted that as a fair allotment, and I submit, Sir, that it is high time that the position was reviewed. I recognise, Sir, that it is in the public interest and that it would help to gain public confidence if all the principal communities are represented in the services, and if a particular community has neglected education, if a particular community or communities have not had the necessary training and opportunities to qualify themselves for the public services that for a time some special concessions might be made. But I think, Sir, that when a period of ten years has elapsed since that allotment was made, it is time that the position was reviewed.

In conclusion, Sir, I should like to close with a word of good cheer, especially to the Indian Members of the Executive Council. It is fortunate for them that all the 400 millions in India are not politicians. Most of the common

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men are not even politically minded, and therefore, Sir, I believe that if the Members of this Executive Council will continue to do their utmost to prosecute the war to the best of their ability, if they would even during the war lay plans ahead which, when peace comes, would make a happier and a better life possible for the peasants and the workers in this country, I believe, Sir, that even though they may not be able to make any claim to the political leadership of India, they will have established a claim to the moral leadership of the peoples of India.

The Assembly then adjourned till Eleven of the Clock on Monday, the 27th March. 1944.