

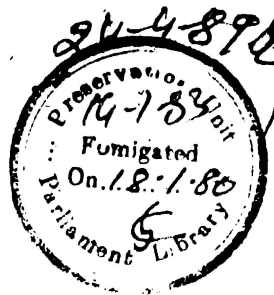
27th March 1944

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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Deputy President :

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Mr. GOVIND V. DESHMUKH, M.L.A.

Sardar SANT SINGH, M.L.A.

Mr. N. M. JOSHI, M.L.A.

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LEGISLATIVE ASSEMBLY

Monday, 27th 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†

(b) WRITTEN ANSWERS.

RACIAL TROUBLE OVER NEW INDIAN HIGH SCHOOL AT BLUFF, DURBAN.

626. *Mr. K. S. Gupta: (a) Is the Honourable Member for Indians Overseas aware of the postponement of the Foundation Stone laying ceremony of the Indian School at Bluff, Durban?

(b) Is not the postponement due to the European objections?

(c) Is it a fact that the Minister for Interior granted a permit for the building and occupation of the school under the Pegging Act and was to have laid the foundation stone on January 8th?

(d) Is it not a fact that the site for the school was bought by Indians before the Pegging Act came into force?

(e) Is he aware that all the elements of a first class racial trouble are brewing up over the new Indian High School at Bluff?

(f) Are the Government of India prepared to move in the matter? If so, when?

The Honourable Dr. N. B. Kharg: (a), (c) and (d). Yes.

(b) The postponement was due to objection taken by certain Europeans on the ground that the utilization of the Bluff site for an Indian school would prejudice housing schemes for soldiers returning after the war.

(e) The question has taken a racial turn.

(f) Government have already taken note of the matter and are taking such action as they can.

LABOUR ADVISER TO THE LABOUR DEPARTMENT.

627. *Mr. K. S. Gupta: (a) Will the Honourable Member for Labour please state if the post of Labour Adviser to the Labour Department is a new creation? If so, why is it created?

(b) If it is an already existing post, who was the last incumbent, and on what salary?

(c) Is it a fact that Mr. B. L. Waters has been appointed Labour Adviser to the Labour Department of the Central Government? What is his salary and overseas allowance and allowances, if any?

(d) Is it a war measure that necessitated the appointment of Mr. Waters? What was he drawing as salary in the British Ministry of Labour and National Service?

(e) Has he any previous experience of Indian conditions? If so, under what Head of the Government of India?

The Honourable Dr. B. R. Ambedkar: (a) and (b). The post of Labour Adviser was created in December 1942. It was held by Mr. D. T. Jack till June 1943 and is now held by Mr. B. L. Waters. Mr. Jack's salary was Rs. 2,750 a month.

The Labour Adviser is to advise on all important matters of labour legislation and administration, and in particular the manner in which labour problems that are under consideration or which may arise, have been or are being dealt with in England.

(c) Yes. Mr. Waters draws a salary of Rs. 2,000 p. m. He is not paid any overseas or other monthly allowance.

† The question hour for today having been dispensed with, answers to these questions were, in pursuance of convention, laid on the table of the House—*Ed. of D.*

(d) Yes. At the time of his appointment to his present post, Mr. Waters was drawing a salary of £880 in the scale of £850—90—1,000 per annum in the British Ministry of Labour and National Service.

(e) No, Sir.

PERCENTAGE INCREASE IN PRICES OF COTTON AND WOOLLEN CLOTH.

628. *Sardar Sant Singh: (a) Will the Honourable Member for Industries and Civil Supplies please state the percentage of increase over pre-war prices of cotton and woollen cloth as it prevailed on the 1st January, 1943, during July, 1943, and at present?

(b) Are Government trying to reduce this percentage of increase? If so, when do they expect a fall in the prices, and by how much? If not, why not?

(c) What is the percentage of increase in price of such cloth due to war in England? Is it about 20 per cent. over the pre-war rates?

The Honourable Sir M. Azizul Huque: (a) The percentage increase in wholesale prices of cotton cloth over pre-war levels has been as follows: 1st January, 1943, 302 per cent.; May 1943, 408 per cent.; 31st July, 1943, 376 per cent.; 28th February, 1944, 269 per cent. Although the Honourable Member has not asked for it, I have thought it best to include the figure for May 1943, since that was the period immediately preceding Government's promulgation of measures of control over the cotton textile industry when peak prices were reached. The decline in the percentage increase over pre-war levels has been even more marked in the case of retail prices, where it was about 410 per cent. in May 1943 and has now sunk to about 230 per cent.

As regards woollen cloth, the quantities available in the civil market during 1943 were so negligible that it is quite impossible to give any accurate information in the form desired by the Honourable Member. One might almost say that the percentage increase over pre-war prices in this respect was determined by what the individual customer was prepared to pay.

(b) Yes. As regards cotton cloth, Government have already been successful as I have indicated in my reply to part (a) of the Honourable Member's question, in bringing about a considerable fall in prices. As regards woollen cloth, the level of prices fixed by the Woollen Goods Control Order, promulgated in February 1944, represents broadly an increase over pre-war price levels of the order of 120 per cent.

(c) The increase in England over pre-war price levels as at November 1943 was 76.8 per cent. in the case of cotton cloth and 78.2 per cent. in the case of woollen cloth.

WANT OF LIGHT IN CERTAIN NORTH BLOCK CLERKS' LAVATORIES.

629. *Sardar Sant Singh: (a) With reference to his answer to starred question No. 432, dated the 30th March, 1943, will the Honourable the Labour Member please state whether he is aware that the clerks' lavatory adjacent to the officers' lavatory on the first floor of the North Block facing the north-western court-yard has been without a light for more than a year?

(b) Is he aware that there is a clerks' lavatory facing the south-western inner court-yard of the North Block, the frontage of which is now closed due to formation of some rooms, and there is a narrow dark passage leading to this lavatory, and that this lavatory has hardly ever had a light during the last one year or more?

(c) If an inspection is made of the other clerks' lavatories in the North Block, or in other buildings of the Government of India, is the Honourable Member aware that he will find mostly the same unsatisfactory state of affairs, although apparently the C. P. W. D. authorities have informed him that such is not the case?

(d) Is the Honourable Member prepared to pay surprise visits to some of these lavatories, without informing the C. P. W. D. authorities, say, once in six months or so, in order to judge the veracity of the statements made to him by the C. P. W. D. authorities?

The Honourable Dr. B. E. Ambedkar: (a), (b) and (c). Yes, I am aware of the unsatisfactory state of lighting in some of the clerks' lavatories in the North Block of the Secretariat buildings. The position is as follows:

Electric bulbs are invariably provided in clerks' lavatories. Replacements are provided as usual and all possible means are adopted to ensure their safety. Despite the fact that locks are used, the bulbs are very often stolen. The records show that since October last about 48 bulbs with an equal number of bulb locks were replaced in six clerks' lavatories in the North Block, out of which only 2 or 3 bulbs are intact while the rest have been stolen. In the ordinary course, only 15 to 16 bulbs should have been supplied during this period on all points (taking the average life of a bulb at 1000 hours). As the provision of lamp locks has not prevented thefts, the Electrical Engineer is arranging to provide a special type of fittings to electric points in these lavatories. It is hoped that this arrangement will prevent thefts and improve lighting in the clerks' lavatories.

(d) In view of the measures that are now proposed to be taken, I do not consider surprise visits by me necessary.

LAWNS IN FRONT OF ORTHODOX CLERKS' QUARTERS IN D. I. Z. AREA, NEW DELHI.

630. *Sardar Sant Singh: (a) With reference to his answer to starred question No. 232, dated the 17th November, 1943, will the Honourable the Labour Member please state whether he is aware that the C. P. W. D. Administration have supplied him with wrong information about the lawns in front of the orthodox clerks' quarters in the D. I. Z. Area of New Delhi?

(b) If the reply to (a) be in the negative, is he prepared to inspect some of these lawns without taking any P. W. D. officials with him and find out the correctness or otherwise of the information supplied to this House through him by the C. P. W. D. Administration?

(c) If the reply to part (b) be in the negative, will the Honourable Member please state:

(i) whether in every case beyond the outer wall of the quarters, there is a road on the other side of which the lawns begin;

(ii) whether it is a fact that the edge of these lawns runs parallel to the walls of the quarters, i.e., in a straight line as far as the quarters were built in a straight line or follows any turn, etc., but always running parallel, in a regular manner, to the walls of the quarters;

(iii) whether this straight alignment of the edges of the lawns is still maintained; if so, the width of the said roads, viz., between the quarters and the lawns, as originally fixed and laid on, and their width at the corners or in front of most of the quarters in the Baird Square, Havelock Square, etc.;

(iv) whether any officer of the C. P. W. D. himself visited all the squares, etc., in order to see the condition of the lawns; if so, who was that officer; or whether the matter was left in the hands of some petty subordinates; and

(v) whether the Honourable Member is prepared to issue instructions to the C. P. W. D. officers to inspect the places about which complaints are brought to light, personally and invite half a dozen or so tenants of each locality and find out their grievances, if any, taking their signatures on a report on the matters in question? If not, why not?

The Honourable Dr. B. R. Ambedkar: (a) and (b). No. I have no reason to believe that the information furnished to me was incorrect.

(c) (i) Yes, generally.

(ii) The lawns usually run parallel to the walls of quarters.

(iii) The alignment of the edges of the lawns is still maintained and the width of paths is about 8 feet.

(iv) The Sub-Divisional Officer goes round to see the lawns frequently and the Superintendent, Horticultural Operations, inspects them occasionally.

(v) Complaints, when made, are attended to by the C. P. W. D. officers and no special instructions appear to be necessary.

KEEPING OF MILCH CATTLE IN ORTHODOX QUARTERS.

631. *Sardar Sant Singh: (a) With reference to his answer to part (d) of starred question No. 146, dated the 13th November, 1943, will the Secretary for Education, Health and Lands please state what those undesirable consequences

are which will follow a permission to keep milch cattle in the 'C' class orthodox quarters and/or D and E class quarters at least during the war time?

(b) Are these consequences of greater weight than the malnutrition from which the staff living in these quarters are suffering on account of lack of good quality of milk at reasonable prices?

(c) How many residents of A and B classes of orthodox quarters in New Delhi are keeping milch cattle in their quarters?

(d) Are Government prepared to find out by a reference through the various Departments and offices how many tenants of the C, D and E type orthodox quarters are thinking of keeping milch cattle in their quarters? If not, why not?

(e) How much time is the New Delhi Municipal Committee likely to take over "examining" other means of augmenting the milk supply?

(f) If any proposals are under examination, are they to augment the milk supply of the officer class residents of New Delhi or the clerical class? If the latter, has the question of their means been considered, or is it likely to be considered?

Mr. J. D. Tyson: (a) and (b). An increase in the private keeping of cattle in houses with restricted space and lack of adequate facilities to dispose of refuse will give rise to a grave nuisance such as an increase in flies and fly-borne diseases, the harmful effect of which on the inhabitants may well outweigh any advantage from an increased milk supply.

(c), (e) and (f). The information has been called for and a reply will be furnished to the House when it is received. The interests of all classes will be considered.

(d) No useful purpose will be served by collecting the information as it is not proposed to encourage the tenants of such quarters to keep cattle at their residences.

CASES UNDER CHILD MARRIAGE RESTRAINT ACT.

632. *Mr. Nabi Baksh Illahi Baksh Bhutto: Will the Honourable the Law Member be pleased to state the number of cases tried by the Indian courts under the Child Marriage Restraint Act, 1938?

The Honourable Sir Asoka Roy: The Honourable Member has not specified the period for which he requires figures, nor is it clear whether what he wants is the total number of cases tried under the Child Marriage Restraint Act, 1929, or the number of cases in which injunctions have been granted under section 12 of that Act, as inserted by section 6 of the Child Marriage Restraint (Second Amendment) Act, 1938. In either case information is not available, and its collection would involve an expenditure of time and labour which would be wholly disproportionate to the value of the result.

INDIA'S MEMBERSHIP OF LEAGUE OF NATIONS.

633. *Mr. Nabi Baksh Illahi Baksh Bhutto: (a) Will the Honourable the Law Member be pleased to state if India is still a member of the League of Nations?

(b) What annual subscription is India paying to this body?

(c) In view of the present International situation, do Government propose to withdraw from this body and save the tax-payer from this burden?

The Honourable Sir Asoka Roy: (a) Yes.

(b) As has been explained on a number of previous occasions the aggregate amount of the League's budget for any particular year is payable by the members of the League as a whole, each member State contributing in the proportion of the number of units assigned to her in the scale of allocation for the time being in force. Thus, in the year 1944 India will pay 48/420 of the total expenditure, 48 being the number of units assigned to her in the scale of allocation adopted as the result of the report of the Allocation Committee of 1939, and 420 representing the existing total number of units. The estimated rupee amount payable on this basis is Rs. 8,88,000.

(c) No. The Government of India recognise that war conditions have involved a serious curtailment of the activities of the League but they consider it important in principle that the League should continue to exist and should continue to receive the support of India. Nor are the practical tasks which the League is still in a position to discharge by any means insignificant.

MOGHUL LINE SHIPS.

634. *Mr. Nabi Baksh Illahi Baksh Bhutto: (a) Will the Honourable Member for Indians Overseas be pleased to state if the Moghul Line has lost any ship since the outbreak of war?

(b) Do the ships of Moghul Line still ply in the Arabian Sea and Red Sea?

(c) If no ship has been lost so far, why were not the ships of the Moghul Line released for pilgrims this year?

The Honourable Dr. N. B. Khare: (a) Yes.

(b) The information cannot be disclosed for security reasons.

(c) Attention of the Honourable Member is invited to the press *communiqué* published on the 11th August, 1943.

BUYING AND SELLING OF LAND BY DELHI IMPROVEMENT TRUST.

635. *Mr. Nabi Baksh Illahi Baksh Bhutto: (a) Will the Secretary for Education, Health and Lands be pleased to state if it is a fact that the Delhi Improvement Trust buys lands and plots at a lower rate and then sells them at a much higher rate?

(b) Are Government aware that the Delhi Improvement Trust puts obstructions in the way of all other private firms who deal in buying and selling land?

(c) Are Government aware that the Delhi Improvement Trust puts obstacles in the way of the people who do not sell their lands to the Trust or who persist to sell their lands to private individuals?

Mr. J. D. Tyson: The information has been called for and a reply will be furnished to the House when it is received.

PAPER EXPORTED FROM INDIA.

636. *Mr. Nabi Baksh Illahi Baksh Bhutto: (a) Will the Honourable the Commerce Member be pleased to state the quantity of paper exported from India in 1941, 1942 and 1943?

(b) In view of the acute shortage of paper in India, do Government propose to stop all paper exports?

The Honourable Sir M. Azisul Huque: (a) Exports of paper have been as follows:

Year	(In <i>tons</i> .)
1940-41	95,197
1941-42	85,834
1942-43	5,312
1943-44 (Eight months ending November 1943.)	447

(b) A ban has already been imposed on exports of paper.

TIME FOR DISPOSAL OF OLD STOCK OF COTTON TEXTILES.

637. *Maulvi Muhammad Abdul Ghani: Will the Honourable Member for Industries and Civil Supplies please state:

(a) the different dates for the disposal of old stock of cotton textiles; and

(b) the number of times for further extensions of dates were given?

The Honourable Sir M. Azisul Huque: (a) and (b). The dates originally fixed by Government for the final retail disposal of stocks of cotton textiles were as follows: Goods packed before August 1943 had to be sold by October 31st, 1943, and goods packed in or after August had to be sold within six clear months of the date of packing. As regards the former case, Government extended the time-limit from 31st October to 31st December, and, as regards the latter case, Government have granted an extension whereby goods packed in August and September 1943 may be sold by retailers up to the 30th of June 1944. The extension to the 31st December was given because the stocks of cloth packed before August held by dealers were too large to be disposed of

properly by the 31st October; the extension in respect of goods packed in August and September has been given to meet the genuine difficulties of dealers arising from transport hold-ups and other factors. Government are satisfied that, having regard to the present falling market conditions of cotton textiles, the extension given cannot possibly lead to hoarding or a rise in prices.

RADIO SETS IMPORTED FROM AMERICA AND OTHER COUNTRIES.

638. *Maulvi Muhammad Abdul Ghani: Will the Honourable Member for Industries and Civil Supplies be pleased to state :

(a) the total number of Radio sets imported from United States of America and other countries during 1943; and

(b) whether prices have been controlled by Government; if so the rates of different sets and types of Radios?

The Honourable Sir M. Azizul Huque: (a). A fairly large number of sets were imported from the U. S. A. and elsewhere during 1943, but I regret it will not be in the public interest to furnish figures of such imports.

(b) Prices of radio sets imported by the trade have not been controlled. As the Honourable Member is perhaps aware certain sets were imported from U. S. A. under Government arrangements and their prices have been controlled under the Wireless Sets Control Order, 1943, a copy of which giving types and retail prices relating to them has already been placed in the Library of the House.

GOVERNMENT OF INDIA TRADE ADVISERS.

639. *Maulvi Muhammad Abdul Ghani: Will the Honourable Member for Industries and Civil Supplies please state:

(a) the names of various Honorary or Stipendiary Government of India's Advisers of different trades and commodities for the civil population;

(b) the remuneration, allowances or office establishment charges paid to every such Adviser;

(c) the quantity of cement, iron and steel, and paper supplied to civil population together with names of persons, authority or individual persons to whom such supply was made on the advice of such Advisers during 1943; and

(d) the conditions for supply of cement, paper, iron and steel?

The Honourable Sir M. Azizul Huque: (a) and (b). A statement showing the information desired by the Honourable Member, is placed on the table of the House.

(c) About 1,50,000 to 1,70,000 tons of cement, were released for civil use in 1943. Information regarding the names of persons to whom releases were authorised is not readily available and its collection would involve so much time and labour that it would not be justifiable in war time. Supplies of iron and steel and paper are not made on the advice of any advisers.

(d) *Cement.*—Release of cement is authorised to the public for essential purposes. Applicants are required to give a declaration mainly to the following effect:

(i) that the cement required for the specific purpose mentioned in the application has not already been authorised, or applied for by any other person or through any other channel;

(ii) that the full quantity of cement released will be used only for the purpose specified in the application and that if it is found that any portion of it has been used for any other work or resold to any other party, all the cement in stock with the applicant may be confiscated, and

(iii) that any authorised representative of the Regional Honorary Cement Adviser may inspect the work for which the cement is applied for and any stocks in the possession of the applicant and the applicant shall furnish such information as to the use of the cement supplied as may be asked for.

Iron and Steel.—No special conditions are attached to the supply of iron and steel, but a licence granted under the Iron and Steel (Control of Distribution) Order, 1941 is subject to the conditions stated in the licence itself, the chief of which are:

(i) that the licence is not transferable except in pursuance of the objects for which it is given; and

(ii) that the licence may at any time be revoked or amended.

Paper.—No special conditions have been laid down by the Central Government for the supply of paper other than newsprint. With regard to newsprint, supplies against a ration of newsprint granted under the Newsprint Control Order, 1941 are made subject to the condition that the total quantity of newsprint supplied in one or more instalments during any calendar month should not exceed the quantity mentioned in the ration card.

<i>Statement.</i>	
Name and designation of Adviser.	Remuneration or allowances paid to him. Office establishment charges paid to him.
1. Mr. W. A. M. Walker, Adviser on Jute Supplies.	Travelling allowance admissible to a First Grade Officer of the Central Government and daily allowance at the rate of Rs. 25 per day in respect of halts while on tour on Government duty.
2. Adviser on Engineering Supplies (Vacant).	Ditto. Rs. 1,000 p. m.
3. Mr. J. S. Quin, Adviser on Rope Supplies.	Ditto. Rs. 1,650 p. m.
4. Mr. C. Williamson, Adviser on Timber.	Ditto. Nil.
5. Mr. H. N. Thomas, Adviser on Web Equipment.	Ditto. Nil.
6. Mr. W. R. Watt, Adviser on Woollen Industry.	Ditto. Rs. 2,500 p. m.
7. Mr. A. C. Inskip, Adviser on Tanning and Leather Industry.	Ditto. Rs. 500 p. m.
8. Maulvi Mohd. Amin, Adviser on Hides.	Ditto. Rs. 1,300 p. m.
9. Mr. R. N. B. Brunt, Adviser on Petroleum Products.	Ditto. Rs. 35 p. m.
10. Mr. C. B. Newbury, Honorary Adviser on News-reels and films distribution,	Conveyance allowance of Rs. 100 p. m. with effect from 1st August 1943. This is being discontinued from 1st April 1944. Nil.
11. Sir Frederick James, C.B.E., M.L.A. (Cantab.)	Travelling allowance as Grade I Officer. Nil.
12. Sir Frederick Stones, Honorary Technical Adviser (Textiles).	Ditto. Daily allowance at Rs. 25 p.m. in respect of halts while on Government duty. Nil.
13. Mr. H. E. Ormerod Honorary Cement Adviser, New Delhi.	Car allowance of Rs. 100 p. m. and out of pocket expenses. Rs. 715 p. m.
14. Mr. C. W. Fowler, Regional Honorary Cement Adviser, Bombay.	Nil. Nil.
15. Mr. S. E. Sara, Regional Honorary Cement Adviser, Calcutta.	Nil. Nil.
16. Mr. J. C. F. Davidson, Regional Honorary Cement Adviser, Lahore.	Nil. Nil.
17. Mr. C. T. L. Stokole, Regional Honorary Cement Adviser, New Delhi.	Nil. Nil.
18. Mr. D. H. Peel Yates, Regional Honorary Cement Adviser, Cawnpore.	Nil. Nil.
19. Mr. W. H. Kirby, Rationing Adviser.	Pay of Rs. 2,800 p. m. Nil.
20. Mr. J. Vonesch, Trade Adviser	Honorarium of Rs. 1,500 p. m. Nil.

ADMISSION OF SONS OF TRANSFERRED GOVERNMENT OFFICIALS IN DELHI COLLEGES.

640. *Khan Bahadur Shaikh Fazal-i-Haq Piracha: Will the Secretary for Education, Health and Lands please state:

(a) whether a Government official who is transferred permanently or for the duration of war can secure admission of his sons in colleges in Delhi under the new system of education;

(b) whether the son of a non-Government servant studying in a college out of Delhi can secure admission in a college in Delhi if he wants to do so on grounds of health or for financial reasons; and

(c) if the answers to parts (a) and (b) are in the negative, do Government realise the hardship in such cases; if so, do Government propose to make necessary amendments in the Delhi University Rules?

Mr. J. D. Tyson: (a) and (b). Yes, if the candidate satisfies the academic requirements for admission, he can be admitted.

(c) Does not arise.

ADMISSION OF OUTSIDE FIRST YEAR INTERMEDIATE STUDENTS TO A COLLEGE IN DELHI.

641. *Khan Bahadur Shaikh Fazal-i-Haq Piracha: Will the Secretary for Education, Health and Lands please state whether he proposes to make a rule permitting the admission of a student who has passed 1st year examination of Intermediate class in a college outside Delhi to the 1st year of the B.A. Course in a college in Delhi? If not, why not?

Mr. J. D. Tyson: Delhi University will be prepared to admit to its three year degree course any student who has already completed the 1st year of his intermediate course in a college outside Delhi, subject to the production of a certificate of satisfactory work from the Principal of his college.

COPYHOLDERS AND REVISERS PASSING READERS' EXAMINATION OF GOVERNMENT OF INDIA PRESS, NEW DELHI.

642. *Mr. H. A. Sathar H. Essak Sait: Will the Honourable Member for Labour be pleased to state :

(a) whether he is aware that while senior Copyholders and Revisers who pass the Reader's Examination of the Government of India Press, New Delhi, in the first or second chance are allowed to retain their seniority in service, and those who pass in their third chance are made junior even to those juniors who appear in the examination along with them, and if so, why this clause has recently been introduced in the Press Handbook;

(b) whether it is a fact that in the ordinary course all European Managers of the Government of India Presses will retire in 1945 and that their places will be filled up by senior-most officers who are all non-Muslims, and if so, what ways and means the Honourable Member proposes for giving adequate representation to Muslims in this cadre; and

(c) whether it is a fact that in 1942-43 a number of posts of Assistant Controllers of Printing were sanctioned by the Government of India, and, if so, how many Muslims were appointed to the post?

The Honourable Dr. B. R. Ambedkar: (a) No. There is no such clause in the Press Handbook.

(b) Only one will retire in 1945. The second part does not arise.

(c) One post of Assistant Controller, Printing, was created and filled by selection from among the existing officers. No Muslim was appointed to the post.

DESIRABILITY OF APPOINTING AN ANDHRA ZONAL OFFICER.

643. *Mr. Umar Aly Shah: Is the Honourable Member for Indians Overseas aware of the agitation in the press urging upon Government the necessity of appointing an Andhra Zonal Officer in order that the grievances of the Burma Andhra evacuees numbering over two lacs may be properly represented? If so, do Government propose to appoint immediately an Andhra Zonal Officer?

The Honourable Dr. N. B. Khare: Government are not aware of any agitation in the press but have seen some representations to the effect that an Andhra should be appointed to one of the posts of Refugee Officers in the Southern Zone. The Refugee Officer and three Assistant Refugee Officers in this zone can speak Telugu and the actual work connected with the grant of relief to these evacuees is also entrusted to local officers of the Madras Government. Government, therefore, do not consider that these evacuees should have any legitimate grievance on this score. The suggestion will, however, be considered when any vacancy occurs.

SCARCITY OF RICE AND ROTTEN QUALITY OF FOODGRAINS IN PATNA MARKET.

644. *Mr. Kailash Bihari Lall: Will the Honourable the Food Member be pleased to say:

(a) if the attention of Government has been drawn to the news published in the morning edition of the *Hindustan Times*, dated the 14th February, 1944, regarding the scarcity of rice in the Patna market;

(b) if it is a fact that even the poorer sections of the people who have been rationed are experiencing much difficulty, particularly on account of the price, the quantity and the quality of the food-grains supplied to them;

(c) if it is a fact that the quality of foodgrains supplied is rotten and unfit for human consumption;

(d) if Government propose to move in the matter; and

(e) if it is a fact that His Excellency the Governor of Bihar visited the shops personally; if so, whether Government have got a report about the same?

The Honourable Sir Jwala Prasad Srivastava: (a) Yes, and I am glad that my Honourable friend has given me an opportunity to correct the impression created.

(b) Some difficulties were experienced owing to the withholding of stocks from sale by producers and dealers. The local Governments took energetic action and the situation is greatly improved.

(c) and (d). No, Sir. There were complaints about quality but the grain has been cleaned and there are now no complaints.

(e) Yes. His Excellency the Governor found stocks in some of the ration shops to require cleaning and he ordered their cleaning immediately.

FOODGRAINS STORED BY BIHAR GOVERNMENT FOR THEIR SERVANTS.

645. *Mr. Kailash Bihari Lall: Will the Honourable the Food Member please state:

(a) if it is a fact that the Government of Bihar have a large stock of food-grains stored for the consumption of Government servants;

(b) if it is a fact that even public buildings used for holding courts are utilised for storing grains in Bihar;

(c) the amount of grains stored for the use of public servants in Bihar; and

(d) the amount of grains stored for the use of jail population in Bihar?

The Honourable Sir Jwala Prasad Srivastava: (a) and (c). No stocks have been earmarked for Government servants in Bihar.

(b) Government grain is stored wherever accommodation is available but the bulk of it is kept in ordinary storage godowns.

(d) The quantity required for the jail population is very small and is stored in the jails.

COPYHOLDERS AND REVISERS PASSING READERS' EXAMINATION OF GOVERNMENT OF INDIA PRESS, NEW DELHI.

646. *Maulana Zafar Ali Khan: Will the Honourable the Labour Member be pleased to state:

(a) whether it is a fact that some Copyholders and Revisers who passed the Readership Examination in the year 1942, in the third chance (grace chance), in the Government of India Press, New Delhi, were given to understand that if they would succeed in examination they would remain junior to all qualified men who passed in the first and second chances;

(b) whether the existing rule was in force in the month of May, 1942, when the examination was held in the Government of India Press, New Delhi; and

(c) whether the rule regarding the promotion of qualified Copyholders and Readers is going to be amended very shortly in such a way that those men who passed the examination in the third chance are now going to be declared senior to all; if so, why?

The Honourable Dr. B. R. Ambedkar: (a) No.

(b) Yes.

(c) The attention of the Honourable Member is invited to the reply given to parts (d) and (f) of Qazi Muhammad Ahmad Kazmi's starred question No. 231 and part (c) of Mr. Muhammad Hussain Choudhury's question No. 501.

HIGH-HANDEDNESS OF LANDLORDS IN DELHI.

647. *Mr. Kailash Bihari Lall: Will the Honourable Member for Labour be pleased to state:

(a) if the attention of Government has been drawn to the article published in the Hindi weekly named *Vaishya Samachar* of Delhi under the heading "Delhi me Makandaron ki Nadirshahi" in its issue of the 12th March, 1944;

(b) if Government have ascertained that actually influential and rich house-owners resort to such tyrannies as have been described in the article, in question, in alliance with the police officers;

(c) if it is a fact that, as stated in the paper, the house-rent in the Maliwara Mohalla in Old Delhi has gone so high as from Rs. 9 to Rs. 21/4/-;

(d) if Government propose to get the allegations described in the paper enquired into, and to take suitable steps to stop the high handedness of the manner alleged with regard to the question of house-rent in Old Delhi; and

(e) the difficulties in the way of Government in applying the same law to Old Delhi which regulates and controls the rent in New Delhi?

The Honourable Dr. B. R. Ambedkar: Enquiries are being made of the local authorities and a reply will be laid on the table of the House at an early date.

REPRESENTATION OF SCHEDULED CASTES IN FOOD DEPARTMENT.

648. *Mr. Piaro Lall Kureel: (a) Will the Honourable the Food Member be pleased to state the communal representation including that of Scheduled Castes in the Gazetted and Non-Gazetted Staff of the Food Department and the Executive and Provincial organizations thereunder?

(b) Are Government satisfied with the present representation of Scheduled Castes in the Food Department? If not, what practical steps do they propose to take in order to secure their due representation in the said Department?

(c) Do Government propose to reduce the educational qualifications for the above Gazetted and Non-Gazetted posts in the case of Scheduled Castes? If not, why not?

The Honourable Sir Jwala Prasad Srivastava:

(a) I. Gazetted Posts:

Europeans	22
Anglo-Indians	1
Hindus other than Scheduled Castes	60
Muslims	22
Other Minority Communities	8
Scheduled Castes	1

II. Non-Gazetted Posts:

Europeans	3
Anglo-Indians	3
Hindus other than Scheduled Castes	445
Muslims	149
Other Minority Communities	52
Scheduled Castes	1

(b) The reply to the 1st part is in the negative. With regard to the second part, I would invite the Honourable Member's attention to Home Department Resolution No. 23/5/42-Ests. (S), dated the 11th August, 1943, under which 8½ per cent. of all vacancies to be filled by direct recruitment are to be reserved for Scheduled Caste candidates and certain concessions in regard to age limit and fees have been granted to such candidates. Vacancies are advertised in important newspapers for the information of all candidates.

(c) No. According to the orders issued under the Home Department Resolution, to which I have referred, a minimum standard of qualifications has to be prescribed in all cases and the reservation of vacancies for members of Scheduled Castes is subject to this condition.

IMPORTED CONSUMER GOODS.

649. *Mr. K. S. Gupta: (a) Will the Honourable the Commerce Member please state Government's estimate of increased imports from abroad of consumer goods in 1944-45?

(b) What are those goods?

(c) How are they to be distributed from province to province or from State to State?

(d) What specific measures have they so far taken for a substantial increase in the production of such goods within the country?

(e) What is their programme in these respects for the ensuing year and the years following until the normal conditions are restored?

The Honourable Sir M. Azizul Huque: (a) It is not possible at present to furnish an estimate for the financial year 1944-45.

(b) For a list of the more important items of consumer goods the Honourable Member's attention is invited to the reply given to starred question No. 239.

(c) Consumer goods not imported by Government will be distributed throughout the country through ordinary trade channels. The question of the method of distribution of consumer goods imported by Government is under consideration.

(d) Government have extended, wherever possible, active assistance in the import of adequate supplies of raw materials at reasonable prices and the release of the maximum possible quantity of raw materials available in the country to essential civil industries. By this means production for the civil market of such fundamental necessities as Cotton Textiles, matches, soap, paper, etc., has been maintained at a high level. In addition, productive capacity previously engaged on War orders has, as far as possible, been released for the production of articles for the civil market with the result that increased supplies of woollen goods, cement, iron and steel goods, household utensils, etc., have been made available. It is only in cases where lack of equipment, internal transport difficulties, shortage of coal, etc., render impossible in the near future, the production in India of adequate quantities of particular items that ready-made goods are imported.

(e) In the ensuing year it is proposed to continue the Government of India's policy of maximising the production of consumer's goods in India as far as Defence demands, transport and supply difficulties permit and of importing adequate supplies of consumer's goods which could not otherwise immediately be made available. Wherever practicable productive capacity in the country will be increased by the construction and import of new machinery.

OPERATION OF THE PUNJAB URBAN RENT RESTRICTION ACT IN DELHI.

650. *Mr. Kailash Bihari Lall: Will the Honourable the Labour Member be pleased to state:

(a) if the House Rent Control Order is applicable to all the parts of Old Delhi; if not, what parts or Mohallas are subject to its application;

(b) if the Punjab Urban Rent Restriction Act, 1939, is applicable to Delhi;

(c) if it is not a fact that under the Punjab Urban Rent Restriction Act no landlord can enhance the rent or eject a tenant except only when he requires the holding for his own use;

(d) if Government are aware that landlords in Delhi have got the rent enhanced on the threat of ejection under the pretext of personal use of the holding;

(e) if it is a fact that since the application of the Punjab Urban Rent Restriction Act, 1939, to the Delhi area, the number of ejection suits have gone very high;

(f) the comparative figures of the number of ejection suits for the period before and after the application of the said law in Delhi, separately;

(g) if Government are aware that landlords are harassing the tenants in all possible ways for vacating the holdings, and in some cases information of cognizable offences has been lodged by the tenants before the police; and

(h) if Government are aware that landlords in Delhi are charging exorbitant rents from new tenants, and that there is no effect of any law on them nor do they grant any receipt for high abnormal rents?

The Honourable Dr. B. R. Ambedkar: (a) No. The Order is applicable only to the Notified Area of the Civil Station of Delhi, certain portions of Daryaganj and the Western Extension Area.

(b) Yes, excluding areas in which the New Delhi House Rent Control Order, 1939, is in force.

(c) Yes, the Act imposes some restrictions on enhancement of rent and ejection of tenants. The Honourable Member may ascertain the exact provision from the Act itself.

(d) Yes. Some such cases have come to notice.

(e) and (f). Yes, the figures are reported to be:

1939=336.

1940=390.

1941=599.

1942=480.

1943=879.

(g) Yes, Government have however no information about any cognizable offences committed by the landlords.

(h) Some complaints of the nature alleged by the Honourable Member have been received.

BAN ON IMPORT OF LEATHER, ETC. TO PISHIN DISTRICT.

551. *Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable the Commerce Member please state if it is a fact that import of leather, articles of leather, tea, cloth, etc., has been recently prohibited in the districts of Pishin, and parts of Chaghi, for sometimes past? If so, since when?

(b) Is it a fact that the alleged reason for the prohibition is that the things may not go over to Afghanistan or Persia?

(c) Is it a fact that the main source for the maintenance of the residents of these areas was trade in these articles, and that they are suffering very badly from this prohibition?

(d) In view of the great hardship caused to the residents of these parts by these restrictions, have Government considered the advisability of relaxing these restrictions, and making proper arrangement at the frontiers of Afghanistan and Persia for stopping the export of these articles to those areas?

The Honourable Sir M. Azizul Huque: (a) The transport by rail and post of certain classes of goods including tea, cotton piecegoods and leather manufactures to Chagai and Pishin districts in Baluchistan has been prohibited a few months ago except under the cover of permits issued by the appropriate authorities.

(b) It is a fact that this control was established to prevent any possibility of such goods as are in short supply in India being despatched in excess of local requirements of Baluchistan, with the object of smuggling them into Afghanistan or Persia in contravention of Export Trade Control Regulations or, alternatively, of causing such congestion at stations on the Frontier that pressure could be brought to relax the export control.

(c) and (d). Government have no reason to think that any hardship is being caused to the residents of these parts, as goods genuinely required for local consumption are allowed to be transported under permit.

UNSTARRED QUESTIONS AND ANSWERS

RATIONING OFFICERS AND INSPECTORS.

187. Mr. Ananga Mohan Dam: Will the Honourable the Food Member please state:

(a) the total number of Rationing Officers and Inspectors sanctioned in their Department; and

(b) the number of Hindus and Muslims appointed on these posts?

The Honourable Sir Jwala Prasad Srivastava: (a) Apart from the Rationing Adviser to the Government of India, an officer lent by His Majesty's Government, there are no Rationing Officers or Inspectors employed in the Food Department.

(b) Does not arise.

CONNECTION OF THE DELHI SUPERINTENDENT OF INDUSTRIES WITH COLOUR AND DYES FIRMS.

188. Mr. Muhammad Azhar Ali: Will the Honourable Member for Industries and Civil Supplies be pleased to state:

(a) whether the control orders for colours and dye stuffs were issued at Delhi by the District Magistrate on representations from Sirdar Mehtab Singh, the Superintendent of Industries; and

(b) whether Government are aware that Sirdar Mehtab Singh is directly and indirectly connected with several firms dealing in these commodities?

The Honourable Sir M. Azisul Huque: (a) On the 9th October, 1948, the District Magistrate of Delhi, having received reliable information that certain stocks of dyes in the possession of the Shri Gopal Chamber of Commerce, Limited, and the Delhi Colour Safe Deposit Company Limited were being made the subject of speculative transactions, which were likely to raise the price at which the stocks would be available for sale to consumers to an inordinate level, made an order under clause (a) in Defence Rule 81 (2) prohibiting the disposal of the stocks without his prior permission in writing

The order was made by the District Magistrate on his own judgment of the requirements of the situation, and no question of "representations" by the official named in the question or any other subordinate official arises.

(b) No.

MISSING PERMIT BOOKS IN THE OFFICE OF COMMODITY CONTROLLER, DELHI.

189. Mr. Muhammad Azhar Ali: Will the Honourable Member for Food be pleased to state:

(a) whether it is a fact that seven books of permits of sugar are missing from the office of the Commodity Controller, Delhi; and

(b) whether it is a fact that through these permits thousands of sugar bags were transported into Delhi and outside places and sold in the Black Market?

The Honourable Sir Jwala Prasad Srivastava: (a) It was recently discovered that one book containing 100 sugar permit forms, and approximately another 82 unbound forms of the same kind, were missing from the Commodity Control Office. An inquiry is proceeding.

(b) The forms in question were designed to be used to authorise retailers to acquire supplies of sugar from wholesalers in Delhi, not to authorise the import of sugar into Delhi or the export of sugar from Delhi. Whether the missing forms have in fact been used by any person has not yet been ascertained.

DELHI MAGISTRATE'S ORDER PROHIBITING DISPOSAL OF CERTAIN COLOUR AND DYE STUFFS.

190. Mr. Muhammad Azhar Ali: (a) Will the Honourable Member for Industries and Civil Supplies please state if it is a fact that on the 9th October, 1948, the District Magistrate at Delhi prohibited the disposal of articles, *vis.*, the cases and drums of colours and dye stuffs lying in safe custody deposit with the Shri Gopal Chamber of Commerce, Limited, and the Colour Safe Deposit Limited, both situated at Delhi?

(b) Are Government aware that movements of colour and dye stuffs were free all over India and not restricted by any control order so far?

(c) If so, will Government be pleased to inform the reasons and circumstances which moved the District Magistrate, Delhi, to issue this order of the 9th October?

The Honourable Sir M. Azisul Huque: (a) and (c). Yes. The circumstances in which the order was made have been explained in the reply to question No. 188.

(b) Yes, but this does not mean that the authorities are debarred from intervening in particular cases when it is apparent that transactions are going forward which are prejudicial to the public interest.

HARDSHIPS SUFFERED BY TENANTS IN OLD DELHI AND SHAHDARA.

191. Mr. Muhammad Azhar Ali: (a) Is the Honourable Member for Labour aware of the hardships suffered by the tenants in Old Delhi and Shahdara?

(b) Are Government aware that some rich landlords have increased the rent by 150 per cent. during the last two years and in spite of the application of the Punjab Urban and Rural Act?

(c) Is it a fact that some landlords have cut off water connections and electric connections with a view to bring pressure on tenants to vacate the premises or increase the rent?

(d) Do Government propose to extend to Old Delhi and Shahdara the provisions of Rent Control Act lately applied for protection of New Delhi tenants? If not, why not?

The Honourable Dr. B. R. Ambedkar: (a) Yes, generally.

(b) and (c). I am aware that increases in rent have taken place, but under the Punjab Urban Rent Restriction Act, 1941, these are matters for the decision of the courts.

(d) There are administrative difficulties in the extension of the New Delhi House Rent Control Order, 1939, to the areas in question but the Government of India have other measures under consideration.

STATEMENTS LAID ON THE TABLE

Information promised in reply to part (c) of starred question No. 303 asked by Mr. K. C. Neogy on the 18th November, 1943.

MANUFACTURE OF OPIUM ALKALOIDS FOR MEDICINAL PREPARATIONS IN INDIA.

So far as Government are aware the total average annual requirements of opium alkaloids of the chemical and pharmaceutical industries in India is about 400 lbs. of which about 54 per cent. is met by the Ghazipur Factory.

Supplies made by this factory during the first three months of 1943 amounted to 53 lbs. and the supplies during the subsequent months were as follows:

	lbs.	oz.	dr.
April 1943	3	2	0
May	23	10	0
June	12	5	0
July	34	12	8
August	16	12	8
September	33	3	9
October	2	14	0
November	18	15	0
December	15	8	0
January 1944	22	12	0
Total	183	14	9

Information promised in reply to parts (a), (b), (c), (d) and (f) of unstarred question No. 46 asked by Mr. K. C. Neogy, on the 21st February, 1944.

PRODUCTION OF OPIUM ALKALOIDS AT GHAZIPUR FACTORY.

(a) The quantity of opium alkaloids produced was:

	lbs.	oz.	dr.
1939-40	346	9	8
1940-41	1,134	7	0
1941-42	984	2	1
1942-43	995	8	10

(b) The supplies made to the chemical and pharmaceutical industries were:

	lbs.	oz.	dr.
1939-40	214	2	0
1940-41	165	11	0
1941-42	248	0	0
1942-43	225	8	14

(c) and (d). The Honourable Member is referred to the reply to part (c) of his question No. 303, dated the 18th November 1943 which has been laid on the table.

(f) The figures for 1940-41 to 1942-43 given in reply to part (a) represent the maximum quantity that could be produced under the present abnormal conditions, having regard to the availability of raw materials, chemicals, acids, apparatus, electric power, coal, etc.

Information promised in reply to unstarred question No. 50 asked by Mr. Ananga Mohan Dam on the 21st February, 1944.

REQUISITIONING OF ACCOMMODATION IN SHAHDARA, DELHI FOR STAFF OF UPPER JUMNA VALLEY ELECTRICITY COMPANY.

- (a) Yes.
 (b) No building has so far been requisitioned. The building proposed to be requisitioned is opposite the Terminal Tax Post and is known as "Har Saran Niwas" (shops 2 to 5 with quarters on the second floor).
 (c) Rule 75A of the Defence of India Rules.
 (d) and (e). The building at present occupied by the Company for its office has been found too small for the purpose.
 (f) The company performs a service essential to the community and it is absolutely necessary for this office to be in Shahdara.

Information promised in reply to part (d) of starred question No. 178 asked by Mr. K. S. Gupta, on the 23rd February, 1944.
Anti-Submarine School.

All the non-Indian officers in the Royal Indian Navy are British, except the following :

Australian	5
Canadian	3
South-African	1

Of the above officers, only one (a Canadian) holds a permanent commission in the Royal Indian Navy. All the rest hold temporary commissions in the Reserve or the Volunteer Reserve.

Information promised in reply to starred questions Nos. 195 and 196 asked by Nawab Siddique Ali Khan (on behalf of Qazi Muhammad Ahmad Kasmi) on the 23rd February, 1944.

GENERAL ELECTIONS TO CANTONMENT BOARDS.

No. 195.—(a) The number varies between one to seven in accordance with the population of the Cantonment.

- (b) Yes.
 (c) No. The information at Government's disposal does not support this view.
 (d) No. The sum in question is about Rs. 600.
 (e) Yes.
 (f) So far as Government is aware such resolutions have been passed only by "the Allahabad Cantonment Tax-payers' Association" and "the U. P. Cantonments Association". The former Association is affiliated to the latter.
 (g) Government has considered the matter in all its aspects. The considerations that led Government to the view that General elections should be postponed for the duration of the war are :
 (i) The majority of the Provincial Governments, etc., have decided to postpone general elections in municipal and the local bodies in their respective provinces;
 (ii) Presidents of Cantonment Boards and other Cantonment officials have owing to the present emergency little time to perform the duties imposed upon them, in respect of elections; and
 (iii) Conservation of paper, money, and time, etc.

CERTAIN MILITARY SERVANTS DISQUALIFIED FOR ELECTION TO ALLAHABAD CANTONMENT BOARD.

No. 196.—(a) In a bye-election to the Allahabad Cantonment Board held on 28th March 1943 one of the candidates was a wage-earner on daily wages in the local Arsenal. The Officer Commanding the Station, in his capacity as President of the Allahabad Cantonment Board, having taken legal advice held on revision, under rule 32(2) of the U. P. Cantonments Election Rules, that in these circumstances the candidate was not in the military or civil service of the Crown and that his nomination paper was valid.

(b) No. Government see no reason to differ from the conclusion reached by the President of the Board.

Information promised in reply to starred question No. 240 asked by Mr. K. C. Neogy on the 25th February, 1944.

PROGRESS IN THE ADOPTION OF REHABILITATION SCHEMES IN BENGAL.

(a) (i). Proposals for rehabilitation include the opening and continuing of hospitals, dispensaries, children's home, orphanages, homes for unattached women and other destitutes, milk canteens, work centres for giving training in cottage industry type of work to destitutes

in centres and at their homes, the grant of special assistance for house-building and also to fishermen, potters and other artisans. These proposals and estimates are still under consideration.

(ii) An ordinance was promulgated to provide for the restoration of agricultural lands sold during 1943 as a result of the prevailing economic distress and a bill has been introduced in the current session of the Provincial Legislature to pass it into law.

(iii) Orders have been issued for the return of boats to fishermen and potters living in the denial and other districts areas either as free grants or on the value of the goods being treated as loans repayable in convenient instalments. Assistance is also being given in the shape of, or for the purchase of, fishing nets, hemp, twine, bark, etc.

(b) and (c). Test works were opened in all districts except in the Districts of Jessore, Nadia, Dinajpur, Rajshahi, Malda, Jalpaiguri, and Darjeeling and over one lakh twenty-seven thousand men and women were helped daily during the most severe period of the distress. Before the commencement of the *Aman* harvest Test works were gradually curtailed in order that a sufficient number of labourers might be available to gather the harvest. They are going on on a small scale in the Contai and Tamluk Sub-divisions of the Midnapur District, Bhola Sub-division of the Bakarganj District, the Arambagh Sub-division of the Hooghly District, and in the Chittagong and Noakhali Districts. These works are now being done in some places by the District Board and in others by Government Agency. The actual number of people now employed is not readily available. In other distressed areas several are still engaged on *Rabi* crop cultivation and miscellaneous domestic labour and as soon as necessary test works will be opened in such areas. Private land holders are encouraged to open works by grant of loans under the Land Improvement Act.

Information promised in reply to parts (a), (b) and (c) of starred question No. 244 asked by Mr. Kailash Bihari Lall (on behalf of Mr. Amarendra Nath Chattopadhyaya) on the 25th February, 1944.

MEASURES FOR RATIONING, ETC., IN BENGAL.

(a), (b) and (c). Deficit districts are receiving rice in accordance with a pre-arranged programme drawn up by the Department of Civil Supplies. The retail price for Government stocks of rice is 0-6-6 per seer. There is no limitation as to quantities per head in areas which are not rationed. Supplies are available in the open market. The following districts in Bengal are regarded as deficit districts:

Chittagong, Noakhali, Tippera, Dacca, Faridpur, 24 Parganas, Pabna, Nadia, Darjeeling, Calcutta, Howrah, Jessore, Morshidabad, Hooghly, Rangpur.

Relief work in Bengal is continuing though on a considerably reduced scale. Relief activities are mainly confined to provision of clothing, blankets, and medicines, the off-take of foodgrains being negligible.

Information promised in reply to starred question No. 256 asked by Mr. Lalchand Navalrai, on the 26th February, 1944.

ELIGIBILITY OF EXAMINERS, ETC., IN BOMBAY AND SIND FOR APPEARING FOR INCOME TAX OFFICERS' EXAMINATION.

(a) Yes. There are no rules on the subject, the matter being entirely within the competence of the Commissioner of Income-tax.

(b) and (c). I understand that in the case of such Government servants also the matter is left to the discretion of the authorities competent to grant leave.

(d) Yes, save in cases where leave can be granted without inconvenience to the administration. As the number of candidates for this examination is very large, it is not possible to grant leave in all cases without seriously dislocating the work of the Department. Government do not consider that they would be justified in these circumstances in granting the facilities asked for by the Honourable Member.

Information promised in reply to starred question No. 275 asked by Mr. K. S. Gupta, on the 1st March, 1944.

FAMINE CONDITIONS IN ORISSA.

(a) The Orissa Government have supplied the following information:

Famine conditions no longer exist in Orissa, but relief measures are continuing in those parts of the districts of Balasore and Ganjam, which were affected by the cyclone of 1942, and floods and crop failure in 1943.

(b) 15 out of 32 free kitchens opened in the affected areas are still working. The Provincial Government have made Taccavi loans to the extent of Rs. 1,107,000 and free grants of Rs. 206,250 for the purchase of cattle and seeds and for reconstruction of houses damaged by floods and cyclone. Building material has also been supplied in some cases, in addition to money grants.

(c) and (d). Relief works, involving an expenditure of Rs. 2,82,000 have been taken up to provide employment to able-bodied destitutes. Collection of land revenue and Chaukidari-tax has been suspended. It is estimated that there are 254 orphan destitutes (72 in Balasore and 182 in Ganjam).

(e) One temporary orphanage has been started by the Provincial Government in Ganjam until the establishment of Wavell Homes, where it is proposed to maintain the orphans. Arrangements have also been made for the maintenance of orphans at Balasore.

There are three private orphanages in Balasore district. Two, at Soro and Jaleswar are run by the Servants of India Society, and the third, at Hatigarh, by the Baptist Mission. There are two private orphanages in Cuttack district, one in Ganjam district and two in Puri district.

Information promised in reply to starred question No. 301 asked by Mr. Ananga Mohan Dam on behalf of Qazi Muhammad Ahmad Kazmi, on the 3rd March, 1944.

DISCRIMINATION BETWEEN INDIAN AND ANGLO-INDIAN APPRENTICES AT JAMALPUR WORKSHOPS.

(a) Apprentice Mechanics, Indians and Anglo-Indians, draw stipends varying from Rs. 10 to Rs. 30 according to the year of apprenticeship and Rs. 30 per mensem is taken as the price of food supplied free to them.

(b) The price of food supplied to Anglo-Indian Apprentice Mechanics is taken at Rs. 30 per mensem. The reply to the second part is in the negative; the Anglo-Indian Apprentice Mechanics are given an allowance sufficient to bring their emoluments up to Rs. 55. after taking into account their stipends and the value of food, viz., Rs. 30.

(c) On the East Indian Railway, all Apprentice Mechanics, irrespective of the community to which they belong, who live in railway hostels and who receive free board and lodging, are paid dearness allowance at one-third the normal rate. Special Class Apprentices are given dearness allowance at 90 per cent. of the normal rate.

(d) Does not arise.

Information promised in reply to part (b) of unstarred question No 139 asked by Mr. H. M. Abdullah, on the 16th March, 1944.

CATERING FOR MUSLIMS ON OUDH AND TIRHUT RAILWAY.

The contracts at the most important stations on the O. & T. Railway are divided between Messrs. Ram Saran Pershad, Messrs. Mohd. Jan & Sons, Messrs. Singh & Sons, Messrs. Kadir Bux & Sons and Messrs. Ganesh Lal & Sons.

MOTION FOR ADJOURNMENT.

FAILURE TO PRESERVE THE LIBRARY AND DOCUMENTS OF THE ALL-INDIA CONGRESS COMMITTEE UNDAMAGED.

Mr. President (The Honourable Sir Abdur Rahim): I have received notice from Mr. K. S. Gupta that he intends to move the following adjournment motion to discuss a matter of urgent and public importance, namely, the failure of the Government to take necessary precautions to preserve the library and other documents of the All-India Congress Committee, sacred property of the nation, from being destroyed and damage as it is evidenced by the condition of a large number of files, printed documents, typed records and books, reduced to dust by white-ants, when the office of the All-India Congress Committee was unsealed for a few hours for cleaning after 18 months.

Who put the seal on the office of the All-India Congress Committee?

Mr. K. S. Gupta (Ganjam cum Vizagapatam: Non-Muhammadan Rural): It is the Government of India that is responsible for it.

An Honourable Member: Who put the seal?

Mr. K. S. Gupta: I do not know.

Mr. President (The Honourable Sir Abdur Rahim): I suppose it is the business of the Local Government. Where did this happen?

Mr. K. S. Gupta: In Allahabad, U. P.

Mr. President (The Honourable Sir Abdur Rahim): The office of the All-India Congress Committee was apparently sealed by the Local Government, and it is the business of the Local Government to look after it. I hold that the motion is not in order.

ELECTION OF A MEMBER TO THE CENTRAL COMMITTEE OF THE TUBERCULOSIS ASSOCIATION OF INDIA.

Mr. President (The Honourable Sir Abdur Rahim): I have to inform the Assembly that upto 12 Noon on Friday, the 24th March, the time fixed for receiving nominations for the Central Committee of the T. B. Association of

[Mr. President.]

India only one nomination was received. As there is only one vacancy I declare Dr. Sir Ratanji Dinshaw Dalal to be duly elected.

Mr. President (The Honourable Sir Abdur Rahim): Honourable Sir Muhammad Azizul Huque.

The Honourable Sir M. Azizul Huque (Member for Commerce and Industries and Civil Supplies): As my motion* will take a little time in view of the amendments of which we have received notice and as we have not been able to discuss them with the Honourable Member, I do not wish to move the motion* to-day. I will take an opportunity of doing so at a later stage.

THE INDIAN FINANCE BILL—*contd.*

Mr. President (The Honourable Sir Abdur Rahim): The House will now proceed with the further consideration of the Finance Bill.

Sir Henry Richardson (Nominated Non-Official): Sir, I have only a few matters to speak about and I shall not take very long.

In the course of his interesting speech on Friday last my Honourable friend, Sir Cowasjee Jehangir, who is not here just now, mentioned amongst other things the scandal of tax evasion, the increasing burden falling on the staff of the Income-tax Department and the question of deferring the pay as you go scheme until the arrears of tax are collected. I propose to deal with these matters when the Income-tax Amendment Bill comes before the House. So that will not only shorten my remarks on this occasion, but will, I hope, save my Honourable friend, Syed Ghulam Bhik Nairang, who also is not there, a further attack of mental indigestion which he said Sir Cowasjee's speech had provoked.

So far as business interests are concerned, the proposal affecting them most in this Finance Bill is perhaps that contained in Clause 8 which deals with the increase in the compulsory deposit of the excess profits tax from 1/5th to 19/64ths. The intention is, of course, to immobilise the whole of the Excess Profits and it was clear from the Honourable the Finance Member's Budget speech that this is an anti-inflationary measure. To that object we have already given our support; but in doing so again, it is our duty to bring to Government's notice the hardship case which inevitably arises.

I refer to the hardship which will be involved in certain cases where the amount required by the compulsory deposit of excess profits tax which this Bill will enforce, coupled with the taxation proposals—by which I mean excess profits tax as well as income and super tax—will actually exceed the total assessable income. I am aware that this can apply only to individuals and partners in firms and that it does not apply to incorporated companies. The point is that it seems inequitable that these compulsory deposits plus the taxation proposals should take away from such individuals more than their total assessable profits, and although it may be argued that such cases will be few, that does not, in our opinion, justify no provision being made in the Bill for the alleviation of this inequitable position. After all, the income-tax officers who will have to operate this measure must, as we know from experience, act more often in accord with the exact letter of the wording of the Act rather than in a manner which might alleviate hardship by their operating within what I might call the spirit of the intention. Whilst, therefore, the Honourable the Finance Member might consider the case would be met by his giving an assurance on the floor of the House that sympathetic consideration would be given to all such cases, I am afraid that this will not be entirely acceptable. We, of course, appreciate that any such assurance which the Finance Member gives is genuine, but it is impossible for him to guarantee that in all cases which will arise, it will be observed in spirit by the various officials who have to operate the Act. We

*"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, five non-official Members to serve on the Standing Committee to advise on subjects, with which the Commerce Department is concerned."

would, therefore, request Government to consider how these cases can be met by inserting in the Act some suitable amendment. Obviously it is very difficult for any lay person to draft an amendment to such a complicated measure as the Excess Profits Tax Act or the Indian Income-tax Act, and if Government accept the justification of my argument, as I hope they will, perhaps they will also consider my request to provide an amendment to meet the case. I am, of course, aware, that Government have already given notice of certain amendments, and if they do adequately alleviate the hardship I have mentioned, then I shall be satisfied and very grateful. But since it is obvious there may not be an opportunity to discuss either the clauses or these amendments, I have felt it necessary to place my case on record at this stage.

I now turn to another matter which arises out of the Finance Member's proposals but affects the Commerce Department. I want to suggest for the consideration of Government an amendment to the Companies Act whereby Directors may be empowered to set aside reserves equal to the compulsory deposits now to be made under the Finance Bill in addition to any reserves permitted by a company's articles of association. It has been brought to our notice that difficulties may be experienced by certain companies in resisting demands for increased dividends from shareholders by reason of the fact that the directors under the articles of association are not empowered to transfer to reserve, without the previous approval of shareholders, more than certain specified proportions of the profits. In most cases the interests of the country and of companies will be served best by transferring to Reserve all the amounts compulsorily deposited under the Finance Member's proposals. Directors of companies, who are bound to see that steps are taken to make these deposits, have in many cases insufficient powers to transfer to reserve since before they could do so they would need the shareholders' approval of appropriate alterations in the articles of association. In practice, this is not always easy to obtain. The alternative would be to leave the balance of profits carried forward inflated by the amounts of the compulsory deposits. This would involve the probable constant claim by shareholders for a larger dividend which is exactly what the Finance Member wishes to avoid. Even at this early stage there is evidence that the compulsory deposits may be raided by shareholders demanding payment of dividends equal to the deposits out of reserve funds. I will read an extract from a Bombay paper, dated the 20th March 1944, which deals with the report of a particular company. (*An Honourable Member*: "What is the name of the paper?") It is the *Indian Annalist*. This is what it says:

"I do not see, looking at such a strong financial position why the directors should consider placing any more sums to depreciation, whilst the reserve fund could be depleted to the extent of the amount being put aside for compulsory deposit. If this is not done, the shareholders have a legitimate grievance."

The pressure has therefore already started and the practical solution seems to be for Government to support their demand for compulsory deposits by amending the Companies Act with a provision conferring on Directors of companies the power to set aside reserves equal to such compulsory deposits in addition to any reserves permitted by the articles of association of the company and I put forward this explanation and suggestion for Government's consideration.

I have one other suggestion to make for the consideration of Government which is that steps be taken to track down and draw into Government coffers the large amounts of surplus hoarded cash which constitute so strong an actual and potential influence in the creation of black-markets and the hoarding of consumer goods. Obviously it is for Government to devise ways and means of dealing with this important question and from an anti-inflationary standpoint, I urge that Government should vigorously prosecute such a policy concomitantly with the taxation measures visualised by the Finance and Income Tax Bills.

Now, Sir, I want to try and obtain the Finance Member's assurance on a matter which has caused very great concern in recent months amongst commercial interests in this country—and I do not mean merely concern by the interests which I represent, for it was general throughout the country. I refer to the draft E. P. Tax Computation of Profits and Capital Rules which were

[Sir Henry Richardson.]

issued by the Finance Department some little time ago for the purpose of eliciting public opinion. Those proposals, although undoubtedly designed for anti-inflationary purposes, contained certain implications which, despite their support to anti-inflationary measures, would have necessitated the strongest opposition from affected interests as was evidenced by the widespread protests made from all parts of India. I hope the Finance Member's Budget proposals are designed to procure by alternative means the anti-inflationary effect for which these Rules were to some extent intended and that therefore in giving our support to this Bill, we are entitled to ask the Finance Member for an assurance that these objectionable draft Rules will be dropped. I hope he will be able to comply with this request.

Sir, during the course of this debate I have not been unaware of an attitude in certain parts of this House, which imputes to the British commercial community a wish to profit unduly by the circumstances of the war and a fictitious ability to influence the Government so that they may legislate in a manner favourable to our interests. Such charges as have been made have of necessity been vague since they have no foundation and are based upon political prejudice combined with industrial ignorance. The taxation which during the past four years has been imposed upon commerce and industry has fallen upon the interests which I represent as heavily as it has fallen upon Indian interests. I do not deny the right of the latter to advance arguments which oppose taxation proposals but, in all fairness, I ask this House to cast its mind back to the attitude which we on this side have consistently made clear in the matter of war taxation. I myself have, on more than one occasion, pointed to the moderate character of the burdens which we have been asked to bear, more especially in view of the vital issues at stake. We may try to be good businessmen but also try to be good citizens, who realize that the war must be won whatever the sacrifice. I confidently affirm that our attitude has consistently carried this significance and far from exerting a problematical influence upon Government to limit the burden which we have to bear, we have more usually encouraged the Finance Member in his predatory activities.

An Honourable Member: Question.

Sir Henry Richardson: Finally, Sir, it falls to me to refer, on behalf of the European Group, to the impending departure of a familiar figure on the Treasury Bench—Sir Reginald Maxwell.

I do not intend to indulge in a long discourse upon his many virtues. I merely offer to him the tribute of our deep admiration for the courage, the integrity, the devotion and the skill which he has applied to his onerous duties, and to this I will be bold enough to add a flight of fancy.

Many of us in our youth struggled somewhat unwillingly through the epic of Horatius—he that held the bridge. To some of us hereafter, there may come a vision of another and more modern Horatius. Horatius, a little worn perhaps by the passage of long years during which he has not laid aside his armour, a little worn also by occasional bouts of lumbago, but always defending his bridge with the same imperturbable courage, the same honesty of purpose conveyed by the same lucidity of expression and the same dry humour which has endeared him even to those who have most bitterly attacked him.

Sir, all of us in this House, whatever be our political opinion or our views with regard to the policy of Government, are at one in wishing him Godspeed and may I express the sincere hope that he will long enjoy the leisure which he has so well earned.

Dr. P. N. Banerjee (Calcutta Suburbs: Non-Muhammadian Urban): Sir, this Finance Bill seeks to impose additional taxation. But such additional taxation is not desirable, necessary or justifiable. The burden of the proposed additional taxation will fall on all classes of the people, from the rich to the very poor. If the burden had been so adjusted as to make it fall only on shoulders which are able to bear it, there would have been less objection to this Finance Bill. But, as it is, we find that a great part of the burden will fall on the poorest classes of the population. My Honourable friend, Sir Jeremy Raisman, says that tea,

tobacco and betelnuts are not essential necessities; but he forgets that these are conventional necessities. And when conventional necessities stand side by side with essential necessities, it often happens that essential necessities are sacrificed for the sake of conventional necessities. It appears to me that the poor people of India will rather curtail their expenditure on food and the milk for the baby than go without their tea, tobacco and betelnuts.

As regards his income-tax proposals, I have no quarrel with him on the ground of principle. The burden of these proposals falls on shoulders which are well able to bear it. But there is another aspect of the question, namely, the capital for industry which must come from the earnings and savings of the income-tax payers. Therefore, these are not entirely free from objection.

I will now point out how additional taxation is unnecessary. The Finance Member's budgets have always shown that revenue is under-estimated and we all know that the under-estimate of revenue in this year's budget is due to the fact that he credits less for the excess profits tax, the income-tax and the super-tax. If this view of the matter proves correct, then the Finance Member will have a much larger revenue than he expects today. There is another source from which the Finance Member can obtain considerable sums of money, that is, from economy and retrenchment.

Sir, the subject of economy was discussed at considerable length the other day and I will not go into the details of the question now. But I will point out that so far as both civil and military expenditure is concerned, a Committee on national expenditure would be very useful. The other day Professor Hill, an eminent economist and a distinguished Member of the British Parliament, told us that the Committee on National Expenditure in England has done wonderful work in reducing expenditure in that country. Why don't you appoint such a Committee here? If such a Committee is appointed, I am sure that expenditure on both the civil and the military side will be greatly reduced.

Then, again, we are not satisfied with the financial settlement with regard to defence between England and India. It is likely that if the financial settlement is made on a more equitable basis, then we shall be able to spend much less on defence than we do now. In this connection I may point out that in the other House it was mentioned the other day that Government of Britain spent 940 crores in India during the last few years for the purpose of defence. Now, this amount of 940 crores in four is a trifle to the British Exchequer, but even 23 crores in one year is a very large sum for the people of India. If instead of 940 crores, Britain spends 963 crores, there will be no appreciable addition to the burden on the shoulders of the British people. In this connection, I may remind the House that, as the *Economist* puts it, the amount which is spent on cigarettes by the Britisher is equal to the whole amount which is spent by an Indian on food in the course of a year.

Now, I will show that additional taxation is unjustifiable. We have been burdened with measures of taxation year after year; the present proposals have been preceded by 8 or 9 previous measures of taxation. All these taxation measures taken together impose a very heavy burden on the people. Therefore, the imposition of a further burden is unjustifiable.

From the constitutional point of view also, additional taxation is unjustifiable. This Assembly possesses only very limited powers over taxation and that fact is known to the Honourable the Finance Member and the Government of India. Therefore, the greater responsibility rests with them not to increase taxation beyond certain limits. But they have ignored this fact altogether.

There is another constitutional objection to this Bill, namely, that this Bill has been brought forward without redressing the grievances of the people.

Sir, I will now discuss the grievances which the people of India have to suffer under. The first and the most important of these grievances is the Bengal famine and the unsatisfactory food situation in many other parts of India. The food question is important enough to deserve separate treatment on days separately allotted for the purpose. But this has not been done. The Government have not been able to spare time for the discussion of the subject, although they have been able to spare time for so many other objects.

[Dr. P. N. Banerjea.]

The other day it was stated in the other House that there was difference of opinion among the Members of this Assembly with regard to the allocation of days for food debate. This is not wholly correct; this is only partially correct. The fact of the matter is that all the Parties in the Opposition demanded a debate on Food with the single exception of the European Group, and that the view of this Group prevailed while the views of the four other Parties were regarded as of no effect. Was this right? I do not wish to use any hard words about the attitude of the European Group, but it appears to many that it does not matter to that Group whether millions of people live or die; it is a trifling matter to them that several millions have already died. These deaths are not unwelcome to them for they make the white man's burden less heavy.

Coming to the Food situation, I wish to express my dissent from the view expressed by Mr. Amery that the Bengal famine is an act of God. It is not an act of God, it is the act of man, it is the act of the Government. It was criminal negligence and thoughtlessness on the part of the British Government and their subordinate branch, Government of India, that was the primary cause of this disaster. Added to this was the incompetence of the Government of Bengal which was served by officers, high and low, of a calibre far lower than that required for averting a famine. Corruption and incompetence characterised the administration of Bengal during the whole period of this famine. But I do not agree with the Secretary of State when he tries to throw the whole blame on the Bengal Ministry. The Bengal Ministry is worthy of severe condemnation, but the fault should not be entirely laid at the door of this Ministry. During the greater part of this famine the Governor of Bengal, Sir John Herbert, initiated measure which led to the most disastrous results.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot criticise any Provincial Government here.

Dr. P. N. Banerjea: He is no longer the Governor of Bengal, nor is he in the land of the living.

Mr. President (The Honourable Sir Abdur Rahim): That makes no difference.

Dr. P. N. Banerjea: Sir, is it your ruling that no acts of an ex-Governor of a Province can be criticised here?

Mr. President (The Honourable Sir Abdur Rahim): My ruling is that you are not to criticise the Provincial Government in this Assembly.

Dr. P. N. Banerjea: In that case, it cannot be discussed at all. The food problem is a problem which has been administered by the Province.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can criticise the Government of India so far as their responsibility relating to food problem is concerned, but he cannot criticise any action of the Provincial Government.

Dr. P. N. Banerjea: But the problem is connected with this matter, it is connected with the provincial administration.

Mr. President (The Honourable Sir Abdur Rahim): That may be, there is the Legislature functioning in Bengal whose duty it is to criticise the Provincial Government for any action they may take.

Dr. P. N. Banerjea: I may point out in this connection that provincial autonomy as it exists at the present moment is a mere sham. . .

Mr. President (The Honourable Sir Abdur Rahim): The provincial autonomy is there and that is quite enough.

Dr. P. N. Banerjea: Therefore, this Assembly and this Government of India should exercise control over the Provincial Government.

Mr. President (The Honourable Sir Abdur Rahim): My ruling is that this Assembly cannot criticise the action of the Provincial Government.

Dr. P. N. Banerjea: I will pass on to the Centre now. At the centre what was the situation? Lord Linlithgow was in charge of the Food Department for several months, and this was a crucial period during which the food situation went from bad to worse. It appears, therefore, that the whole administration from the highest officer in the British Government to the lowest in the Provincial Government was responsible for this disaster. I am unable to apportion

any measure of praise or blame to the different parts of the administration. But all that I can say is that all must share the blame. As regards the exact proportion of the blame, that can be found out only by an impartial and independent tribunal. It was suggested here during the last Session that the high officers of Government should be impeached. That is a demand which is fully justified and we should press this demand even now. But I may tell my Honourable friends that the days of high souled statesmen like Burke and Fox, and like Pitt and Sheridan, are gone and the days of petty minded politicians have come. Therefore, even if they are impeached no good is likely to arise from that.

Sir, what is the present position? It is said in many quarters that famine has ceased to exist. That is far from correct. Things are not at all normal at the present moment. In this connection, Sir, I should like to refer to the statement which was made by Mr. Arthur Moore a few days ago at Dacca. He says:

"The big problem now is the legacy of famine, incapacitated widows and orphans and the children of the lower middle classes, fishermen, cobblers and so forth. They are not paid even now nearly enough to enable them to feed and clothe themselves sufficiently. . . . Temporarily the actual famine is over, but there is widespread epidemic, disease and debility, lack of infectious hospitals and so forth."

His conclusion is:

"If we can produce the energy, the service and the money we can cope with it. But we cannot afford to go on in Bengal as we have been going on."

These words are significant. There is a tendency on the part of the authorities both here and in Bengal to go on as they have been going on, and if that continues the situation will again become worse and there is a likelihood of another famine this year.

Sir, Mr. Arthur Moore gave an interview at Dacca and he knew the situation as it existed only in the larger towns of the country. Therefore, the view taken by him was not absolutely correct. Here I hold in my hand a cutting from the newspaper *Basumati*, in which this news has appeared after having been censored by the Government of Bengal. It reads thus:

"Batches of destitutes are again pouring into the town in a very weak state of health. The body of a destitute was found lying on the Rangpur Road for some hours while another was seen being devoured by vultures and jackals on the station approach road."

Are things normal in Bengal at the present moment? No, they are far from normal; and that is proved by the fact that high prices of rice still obtain in all parts of that province. If we look at the *Calcutta Gasette* we find that rice could scarcely be obtained in the open market at the controlled rates in the districts of Dacca, Chittagong, Noakhali, 24-Parganas, Nadia, Jessore and Narail on the 9th February, 1944; and on the 8th March, 1944, rice was hardly available at Dacca, Faridpur, Chittagong, Tipperah, 24-Parganas and Jessore. And what about the prices? On the 2nd March the price of rice at Manikganj varied from Rs. 17-8-0 to Rs. 19 a maund; no *atta* was available at all. On the 4th March at Narainganj the price of rice was Rs. 16 and at Rajshai Rs. 14-8-0. On the 5th March the price of rice at Barisal was between Rs. 14 and Rs. 14-8-0 and at Madaripur between Rs. 16 and Rs. 16-8-0, at Dacca between Rs. 15-4-0 and Rs. 17-8-0, and at Jessore about the same. In many of these places coal was not available and *atta* was mostly unavailable. What does this show? This shows that the price of rice is even now four times the normal price. Can things be regarded as normal when the price is so high? Certainly not.

Now what is the attitude adopted by the Government with regard to this question? The same attitude of callousness, of complacency and of concealment. These were the things which were at the root of the trouble last year.—callousness, complacency and concealment. These things prevail even now in Bengal and to some extent at the centre. I must say that the present Food Member is exerting himself sincerely and actively to relieve the situation in Bengal, but he is served by a Secretary who is making irresponsible statements and telling the people that things are normal and that there is nothing to bother about. He has been contradicted by no less a person than the Honourable Dr. Hirday Nath Kunzru who has personal acquaintance with

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the situation in Bengal and who is a true servant of Mother India. If Mr. Hutchings persists in telling what is not true, however great his abilities may be, he should not find any longer a place in this department. For the position of Secretary of the Food Department we require a man who has an abundance of sympathy, a great deal of foresight and imagination and keen sense of devotion to duty and who is actuated by a sincere desire to help the people out of the distress.

Sir, the situation is still very abnormal; but what are the steps taken to remedy it? If I refer to the past I refer to it because I think we should learn our lesson from our experience of the past. It is not my object to dwell on the past because I want to blame those people who are responsible. They are blameworthy, but it is not my present purpose to blame them. As regards the future I should like to suggest that both the Government of Bengal and the Government of India should cast aside their present attitude and adopt an attitude which will be of real benefit to the people of Bengal. I wish to suggest, first, that in Bengal the procurement and distribution of rice should be left to ordinary channels of trade. This will help to inspire confidence in the minds of the people. During the whole of last year there was a great deal of bungling and mudding because the officers who were engaged in handling the situation did not possess the requisite experience and many of them were not honest and above board. It must also be remembered that agents were appointed to procure food who were not honest. Just at the present moment we are reading in the newspapers that one of these agents is being prosecuted at Jubbulpore for bribery. Therefore, I suggest that the Government should not take in its own hands either the matter of procurement or of distribution. These should be left to the ordinary channels of trade and when the people find that the ordinary channels of trade are functioning that fact in itself will inspire the people with confidence.

Secondly, I suggest that the Government should not buy large stocks. The mistake that was made last year was that the Government of Bengal and the Government of India purchased large stocks for their servants both on the civil side and on the military side. This was a great blunder. When large stocks are removed from the market a shortage—perhaps an artificial shortage—is created, and it was the creation of this shortage that resulted in want of confidence which had repercussions in hoarding and profiteering. Therefore, no large stocks should be kept either by the Government of Bengal or by the Government of India. They should buy in the open market at the prevailing prices. They should not send out their agents to the different parts of Bengal in order to buy rice. The Government should prevent the railways, the commercial firms, the planters, and the business community generally from procuring large stocks. It is said that these large stocks are kept with the object of helping their employees and servants. But this is an undesirable method; this is anti-social. When you keep large stocks only for a limited number of persons leaving the rest to feel the effects of shortage, the step becomes anti-social. This state of things should be prevented by all means.

Thirdly, I suggest that adequate transport should be provided in order that foodgrains from the surplus areas may be moved to the deficit areas. All forms of transport will have to be provided, not only road transport but motor transport, also steam navigation, country boats and bullock carts. In this connection, I may point out that Government did a very wrong thing when they destroyed several forms of transport. Boats provide the normal mode of transport in Eastern Bengal and these were destroyed during the last year. It is estimated that about twenty-five thousand boats were taken away and either destroyed or kept in places where they were of no use.

The Honourable Sir Edward Benthall (Member for Railways and War Transport): By whom is it estimated?

Dr. P. N. Banerjee: This is the general estimate, but you may challenge it. You may put forward figures to show that this is an over-estimate. Are you prepared to prove that this is an over-estimate?

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions: Non-Muham-madan Rural): This was the estimate given in the other House on behalf of Government.

Dr. P. N. Banerjee: I am thankful to my Honourable friend, the Deputy President, for reminding me that this was the estimate given in the other House a few days ago. And it was further said in the other House that attempts are being made to reconstruct and re-float ten thousand out of these twenty-five thousand boats. But when is that to be done? The reply is: in the rainy season. But that will mean that during all these four or five months there will be no movement of crops from surplus areas to deficit areas. Is that right? The Government should restore all the boats which were taken by them, namely 25,000, if that be the estimate of Government. Then, Sir, they also removed many of the bullock-carts in many parts of the country. That was wrong. These should be given back.* Steamship communication, river transport and road transport should be adequately supplied. If all these things are done, there will be great improvement in the matter of distribution of foodgrains throughout Bengal.

Fourthly, I will suggest that Government should exercise strict supervision and control over the trade of the country without themselves engaging in that trade. If they find that there is any hoarding and profiteering anywhere, they should put the law in motion and they should inflict the severest punishment on the wrong-doer. In this connection, I may say that under the Defence of India Rules the Government has very large powers to bring offenders to book without much delay and without much inconvenience to the rest of the society; they cannot plead helplessness.

Fifthly, I suggest that Government should in the case of a deficit in the whole of Bengal ask the Central Government to supply foodgrains from other provinces.

And lastly, the Government of Bengal should adopt in all sincerity and in all earnestness the policy of growing more food. So far the Government have relied mainly on propaganda, but Government forget that 90 per cent. of the people are illiterate and practically 99 per cent. of the poor people—the agriculturists—are unlettered. Therefore, newspaper propaganda will not do; nor will distribution of leaflets and pamphlets suffice. You will have to send out agricultural officers to every village urging the people to grow more food and not only should they urge the people, they should enable them to grow more food. You should provide them with better seeds. You should provide them with fertilizers, you should provide them with finance
12 Noon. and you should place at their disposal implements. The Government should also try to bring under cultivation waste land by the use of tractors and other modern means of cultivation. If all these measures are adopted then and then alone can the food situation be improved in Bengal. Otherwise, things will go from bad to worse.

Sir, I should like to say a word about rehabilitation. I am glad to read in this morning's newspapers that the Government of Bengal have provided Rs. 4 crores for rehabilitation and that they are preparing a scheme for that purpose. They have my best wishes for this object, but I hope that they will be able to carry it out with that amount of efficiency which is needed and which they have not so far been able to show, and that no kind of favouritism or no sort of corruption will enter into the giving effect to this humanitarian measure of rehabilitation.

Coming to the Centre, I would urge, first, that they should also take adequate measures of relief. I am glad that His Excellency the Viceroy regards the food question as an all-India question and I hope the Government of India would never lose sight of this view. That is the correct view to take, and if the Government bear in mind the words of His Excellency they should take energetic and earnest measures to help the people of Bengal out of their present distress. The Central Government should exercise control and supervision over the acts and inaction of the Provincial Government in this matter,

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and as I have already said, any theory of provincial autonomy should not stand in the way of saving the lives of millions of persons.

Secondly, the Central Government should provide foodgrains to the Province of Bengal whenever there is any need and for that purpose adequate transport arrangements must be made. This food should be procured not merely from the other provinces, but if necessary, also from the other countries.

Thirdly, the Central Government should help the improvement of agriculture in Bengal and not only in Bengal but in all the provinces by giving financial assistance, by lending the services of experts for growing of more food and in various other ways.

Fourthly, the Central Government should give adequate assistance to the Government of Bengal for their rehabilitation scheme. I am aware that the Finance Member has provided a sum of money in the coming years for the purpose of helping the Province of Bengal, but this meagre help will not be of very great use. Further assistance will have to be rendered.

Lastly, I would urge that the Central Government should approach the British Government and the United Nations to come to the rescue of India, because the Bengal famine is really one of the important incidents of the present war. Therefore, neither the British Government nor the other United Nations can afford to sit idle while millions of people are dying in Bengal.

As regards the great magnitude of the disaster, there is no difference of opinion. But the calculations regarding the number of deaths which have been due to starvation vary. Mr. Amery said in the British Parliament that the total number of deaths was less than one million. The Government of Bengal have now furnished figures to show that the deaths amount to about seven lakhs. I have no faith in these statistics. Mortality statistics have never been properly collected and at the present moment the method of collection is very unsatisfactory. Besides, it is well known that the dead bodies were not always cremated or buried and no regular register was kept even of cremations and burials. I read out to this House a few minutes ago newspaper extract only this morning that many dead bodies were eaten away by jackals and vultures. Thus no appropriate account could be given, and I would attach no importance to the figures that have been supplied. The Anthropological Department of the Calcutta University have calculated that the deaths amount to over three millions. Taking a mean between the underestimate of the Government of Bengal and what may be regarded as overestimate of the Anthropological Department of the Calcutta University, we may safely say that at least two millions of people have died during the famine. In any case, this was a great disaster. Can it be said that during this war so many persons have died in actual fighting—seven lakhs at the lowest estimate and two millions at a moderate estimate? No. And can anybody point out that in any country, civilised or uncivilised, such a famine has ever taken place in recent years? Surely this is one of the blackest chapters in the history of British rule in India and I hope and trust that all Members of the Central Government and of the Provincial Governments as well as the British Government will do their very best to see that another black chapter is not added to this history.

Sir, I have no time to discuss the food situation in other parts of India, nor does my knowledge entitle me to do so. But I must say this that the food situation in other parts of India is also very unsatisfactory. It is very grave, as has been pointed out, and the Government of India should bear this in mind.

In addition to food there are certain other necessities for want of which also the people of Bengal are suffering very greatly. These are salt, kerosene, cloth and drugs. With regard to salt it may be said without any fear of contradiction that Bengal is going through a famine at the present moment. In many places within that province salt is not available at all.

Mr. Akhil Chandra Datta: In Calcutta it is not available.

Dr. P. N. Banerjee: My Honourable friend points out that in Calcutta it is not available; and where it is available, it is available only at a very high price. That is most unsatisfactory, and the Government of India should do their best to provide salt to Bengal without any delay at all.

Then I come to cloth. My Honourable friend, the Commerce Member, said the other day that cloth prices have greatly decreased. I admit that there has been some diminution in cloth prices, but can he say that cloth prices are such at the present moment that they would enable the poor man to buy cloth? They are inordinately high even now. In this connection I should like to point out that the policy of exporting cloth from India to other countries has been very wrong. My Honourable friend's plea would be that India should have a market in the Middle East—in Palestine, in Egypt, and other nearby countries. But when his own country is suffering so much now from want of cloth, should he think of exporting cloth. I may tell my Honourable friend that after the war those countries which now import cloth will not purchase any cloth from India, they will get them from Germany and other nearby countries.

An Honourable Member: From Japan.

Dr. P. N. Banerjee: Coming to coal, I need hardly say that the sufferings of the people on this account are very great. Even in Delhi, the capital of India, we do not obtain coal unless the Government be pleased to supply us with permits. This is a scandalous state of things. I know that just at this moment a policy with regard to coal has been adopted for developing the coal resources of the country. I am not an expert in this line and I do not know how far this policy will be crowned with success. But I must say that in the past the policy of the Government has been not only of a blundering character but of a character which does not redound to their credit. The coal policy of the Government has been framed not with a view to assisting Indians but with a view to assisting other countries. Exports were made from time to time and the collieries, of which the proprietors were Indians, were not allowed to be developed. I hope there will be a change of policy in this respect in the near future.

I am sorry my Honourable friend, the Commerce Member has left the House just now, but I wanted to tell him something about the jute position.

An Honourable Member: There are others to watch for him.

Dr. P. N. Banerjee: I will discuss that presently, but in the meantime I will say a few words about the loss of cattle which has been due to this war. I have a quotation here from the *Economist*, which says, that the drain of the cattle wealth of the country owing to the war has left the country in a very impoverished condition and the Government should not neglect its duty in this matter. Cattle is needed not only for agricultural purposes, but also for milk, particularly for the babies. I have not seen anywhere any account given of Government's attempt to develop the cattle wealth of the country.

I now come to jute which is a substitute crop—a crop which is sometimes substituted for foodgrains. In regard to jute the other day my Honourable friend, the Commerce Member, said with a fanfare of trumpets that he had adopted a policy which would do very great good to the country. But it appears that the jute policy of the Government of India and of Bengal. . . .

Nawabzada Muhammad Liaquat Ali Khan (Rohilkund and Kumaon Divisions: Muhammadan Rural): It is the *jhut* policy?

Dr. P. N. Banerjee is adopted from time to time in order to suit the interests, not of the jute growers, but of the jute balers, and the European merchants engaged in jute trade in India as well as in the interests of Great Britain and the United States of America. It is really a *jhut* policy.

I now come to drugs. We all know that the country is in the grip of malaria. But for several months no quinine was obtainable in any part of India. Even in Delhi at certain times quinine was not available. During the last session of the Assembly I had two attacks of influenza and my doctor said that as a pre-

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cautionary measure I should take quinine. I sent persons round, but nowhere in New Delhi could I obtain a single tablet of quinine. But my Honourable friend, Mr. Tyson, says that quinine is available everywhere in India and that at reasonable prices. This is wholly incorrect.

As regards other drugs, I must say that the manufacture of these drugs has received a great impetus during the war, but the full development of the drugs trade in this country is hampered by the lack of development of heavy chemicals and of the coal tar industry. The excise policy of the Provincial Governments stands in the way of developing the manufacture of alcohol to the requisite extent.

I will not detain the House much longer with a discussion of the first necessities of life but I must once more emphasize that it is the primary duty of the Government to consider these needs and to take the necessary measures to help the people.

Now, the mention of the development of the coal tar industry and of the heavy chemicals brings me to the question of developing the chemical industries of the country. The time has come when greater attention should be paid to such development. Although some improvement has occurred owing to war needs, this improvement is not likely to last very long. As regards industries of other kinds a great opportunity has been lost. If the Government does not adopt a well-thought-out policy with regard to the industrial development of the country, a great deal of the capital which has been invested in industries at the present moment and the machinery and tools will be lost. And not only that. The labouring population will suffer very greatly because after the war the demand for labour will greatly decrease in the absence of an adequate scheme of industrial expansion.

Sir, I now pass on to trade and commerce. It is the earnest desire of the people of this country to maintain as much control over the trade and commerce of their own country as possible, but there are certain factors which hamper Indians in their foreign trade. So far as the internal trade is concerned, the policy of the Railway Department stands in the way. As regards the external trade, my Honourable friend, Mr. Krishnamachari, dealt with the difficulties at great length and I will not go over the ground which has been traversed by him. But I should like to tell this House that in addition to the activities of the U. K. C. C., there are other factors which stand in the way of India having her proper share in the foreign trade of the country. The Food Ministry of Britain issues licences for certain articles of food, including linseed and linseed oil and the activities of this Ministry in the past have been very annoying and Indian industries have been suffering in consequence. I hold in my hand a letter which has been received from South Africa, in which it is said that the Food Ministry has prevented the Indian exporters from exporting linseed and linseed oil to South Africa without a licence from the Ministry itself. These licenses are given not to Indian merchants but to the European merchants. If the activities of the U. K. C. C. and the Food Ministry of Britain are allowed to develop further, it will throttle the foreign trade of India, which is in Indian hands and which Indians want to expand. Besides, in the United States, a corporation has been established which is known as the United States Commercial Corporation. This body also is trying to expand its activities in India and it is feared that the joint exploitation of Indian trade by the U. K. C. C. and the U. S. C. C. will entirely destroy the trade of India, which is in Indian hand. I would urge the Government to take the necessary measures against such things happening in future.

Sir, I shall now discuss only a few of the matters which were discussed by the Honourable the Finance Member in the course of his speech. One of these relates to the sterling balances. I will not discuss this matter at great length but I will say this, that the size of the sterling balances in Britain is growing from day to day and instead of that being a matter of

congratulation for us, it has become a matter of apprehension because we find that some of the British newspapers are suggesting that these sterling balances should be kept in London so that for many years to come the British people may be able to send goods to India. Now, we want to import only machinery and tools and things of that sort from Britain. We do not want Britain to send consumers' goods to us. India's relations with Britain will not be happy in future if the sterling balances are not properly safeguarded. In this connection I suggest that these sterling balances should not be allowed to grow beyond the value of one thousand crores and the rest should be applied in purchasing ships which are on the British register for use on the coastal shipping in India and also for purchasing the assets of British nationals in this country. If that is done, India will have a fair share in the trade and commerce of the world and there will not be much apprehension with regard to the future of India's sterling balances.

Sir, a word about inflation and I will have done with the economic aspect of the question. I am sorry that the Honourable the Finance Member is not in his seat. Now, what is inflation? Put in a simple way, inflation occurs when there is abundance of money in relation to scarcity of goods. That is the simple explanation of the man in the street. As an economist, I might have mystified the question; but I prefer this simple explanation, and I hope the Honourable the Finance Member will accept it. Abundance of money existing side by side with scarcity of goods; that is the state of things in India at the present moment. The notes in circulation in India at the present moment is 888½ crores as against 179 crores in August 1939. In other words, the notes in circulation have risen more than four-fold. This, of course, is a *prima facie* evidence of inflation. At the same time, we find that prices of goods have greatly increased. That being the situation, the question is how to solve the problem?

There are two ways of solving the problem—you may either reduce the volume of money or increase the volume of goods or you may do both. Now, the money in this country at the present moment consists mainly of paper money and this paper money is used not only for the ordinary transactions of the people but also for providing finance for the war activities of the United Kingdom in this country. Therefore, it would not be possible, in my opinion, for my Honourable friend, the Finance Member, to reduce the volume of paper currency at the present moment. If he is unable to reduce the volume of paper money, he can prevent a portion of this money from remaining in circulation. Therefore, he has placed before us schemes of taxation, borrowing and compulsory saving. Theoretically, he is perfectly right. By these measures he immobilises a portion of the currency of the country. But why does he not adopt the other method, namely, of increasing the production of consumer goods? The first method is easy for him but is difficult for the country. India is a poor country and India's margin of savings is very small. The people of India are starving. To what length can taxation go and what can be the maximum amount of saving? In order to save, the people will have to reduce further their expenses on food. Thus there will be greater hardship on the poorer classes of the population. Therefore, instead of directing his attention to this aspect of the question, namely, immobilising a portion of the currency, he should direct his attention to the other side, namely, the production of consumer goods. If the production of consumer goods for the civilian population of this country is given an impetus to, there will be a solution of the whole problem. At the present moment, the bulk of the production is for military purposes. I do not want that the defence of the country should suffer, but there are various ways in which the production of goods for the civilian population may be increased. He ought to take that step. He may say that he is only the Finance Member and it is not his business to do that. But he is also a Member of the Government of India, and a very influential Member, and he should see to it that the production of goods for civilian consumption is vastly increased. If that is done, there will be a balance; the prices will come down immediately and inflation will cease to exist.

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Sir, in this connection, I should like to refer him to an anti-inflationary Bill which was passed by the United States of America two years ago. The question arose with regard to an increase of fares in India. In the United States law it is definitely laid down that no public carrier will be allowed to raise the fares in America. Thus the raising of fares is regarded as an inflationary measure in the United States of America, but here in India, strangely enough, it is regarded as an anti-inflationary measure. It is the curious logic of the Government of India.

Sir, I now come to the political aspect of the question. We read every day in the newspapers about the methods to be adopted to resolve the deadlock in this country. But nothing has so far been done. And what is the situation in India at the present moment? The situation is that large numbers of persons are rotting in jail and many of these persons have died. Is it desirable to continue this state of things for any longer time? The answer should be an emphatic 'no'. But, then, what steps should be taken? A solution of the deadlock should certainly be brought about. British statesmen have been suggesting time and again that a solution of the deadlock can come if the different Parties come together. The latest pronouncement in this respect is that of Lord Halifax. He says that until India is unified, there will be no freedom in this country. This is a challenge, which I will ask my Honourable friends to take up. I will ask them to have unity amongst us, so that we may obtain freedom. But the attitude of British statesmen is such that we cannot place much reliance on their pronouncements. The attitude of the American statesmen is better. They say that India is the acid test for the Allies; the manner in which India is treated will decide how the future of the world will be fashioned. Sir, the well-known editor of the *Economist*, Sir Walter Layton, who paid a visit to this country about 14 or 15 years ago, says that whatever arrangements are made for an international order, unless India is placed in her proper position, such international order will fail. These are words worth pondering over. I was glad that my Honourable friend, Sir Muhammad Yamin Khan, said the other day that the British are not only creating and fostering differences amongst us, but that they are doing so with the object of exploiting us. I hope such exploitation will cease soon and we shall be able to come to a settlement immediately so that India may attain complete freedom and independence.

Sir, I have discussed this Bill both on its merits and from the constitutional point of view. I have pointed out that on merits this Bill is undesirable, unnecessary and unjustifiable. I have also shown that there are at least two constitutional objections to the passing of this Bill. These considerations compel me and my Party to oppose the motion before the House.

Nawabzada Muhammad Liaquat Ali Khan: Mr. President, my original intention was not to refer to the composition of the Executive Council of the Governor General of India, because this Honourable House, by its vote the other day in refusing supplies to the Executive Council, had shown its complete lack of confidence in it. That vote, Mr. President, was a true reflection of the practically unanimous opinion in the country; but since then one of the Indian Members of the Executive Council has chosen to make what has been described as a political speech,—a speech which was described by one of the Members of the European Group as brilliant and I think it would be discourteous on my part not to take notice of the observations that were made by the Honourable Dr. Khare. Sir, I am sorry my Honourable friend is not present in this House now, but I had sent word to the Government to request the Honourable Dr. Khare to be present, because I hate to say anything in a person's absence.

The Honourable Sir Sultan Ahmad (Leader of the House): Word was sent to the Honourable Dr. Khare a few minutes ago. We at once tried to find where he is, but we have not been able to find him.

Nawabzada Muhammad Liaquat Ali Khan: Time and tide wait for no one and therefore my remarks also cannot wait.

The Honourable Sir Sultan Ahmed: Of course, not.

Nawabzada Muhammad Liaquat Ali Khan: Sir, the Honourable Dr. Khare started his speech with a misquotation from Shakespeare.

The correct and fuller quotation would be:

"All the worlds' a stage,
And all the men and women merely players;
They have their exits and their entrances,
And one man in his time plays many parts."

The Honourable Dr. Khare has, on his own admission, proved the truth of what that great student of human psychology had stated so many hundred years ago. The Honourable Dr. Khare told us of the many parts which he had played in the political drama of this country, and his speech was lustily cheered by the official Members and by my Honourable friends of the European Group. I should warn them all to beware because you can never tell what part he is going to play next. Sir, my Honourable friend, Dr. Khare, complained that the Members of the Opposition had thrown rose petals at the European Members of the Executive Council and flints—I am using his own expression—at the Indian Members. I should have thought, Mr. President, that instead of complaining, he should have been thankful because that shows that his countrymen have not yet lost all hope in him and his Indian colleagues. Mr. President, flint, when it strikes steel, produces fire and if Honourable Members from this side threw any flints at him and his colleagues, it was in the hope that it might ignite a little spark of patriotism and selflessness. My Honourable friend recited the many blessings of the war and the advantages that have accrued to India. As a matter of fact, he seemed to take credit for the blessings of war as he described them that had befallen the country. He told us that India, from being a debtor country has become a creditor country. He told us that India has been industrialised and many new industries have been started and he told us that 2 million Indians have been trained in the science of warfare. He told us that two lakhs of people have become technicians. All these great blessings have befallen the country and for that Dr. Khare and his colleagues on the Executive Council wish to take credit. But I am afraid this claim of theirs will not go unchallenged by Hitler and Tojo who are responsible for starting this war, unless Dr. Khare claims that the responsibility for this war which has brought on all these advantages to India is the outcome of the efforts of the Executive Council.

Sir, I thought that as it was a financial measure that we were discussing, the Honourable Member would have, while showing the credit side, shown the debit side also. He should have presented to this House a true balance sheet of the blessings and miseries of this war. It is this war and the incapacity of this Government to deal with the problems arising out of it that has cost millions of lives; it is due to this war that millions of people have died of starvation and want of medical relief; it is due to this war that today in the country there is general depression and there are millions and millions of people who are living in actual misery; it is due to this war that India is today constitutionally in the same position as she was a hundred years ago; it is due to this war that in the name of Defence of India Rules the liberties of people are being curtailed without any hesitation. These are the real "blessings" for which the Government of India can truly take credit. It has been complained by the Indian Members of the Executive Council that some people on this side have called them unpatriotic. Sir, I do not for a moment doubt their patriotism; but it is patriotism of a kind which does not commend itself to the people of this country. It is patriotism which has been defined by no less a person than the Secretary of State for India as betrayal of their parties and their leaders. The Secretary of State while speaking in the House of Commons on the 1st August, 1941, after the first expansion of the Executive Council took place, said:

"To think that regardless of party leaders and in defiance of party discipline patriotic Indians have come forward to work for India's defence", etc.

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This is not the definition that is given to patriotism in European countries. There any one who defies his leader or betrays his party or the people of his country is called a Quisling. In India things are different; here they are called patriots. I am not doubting their patriotism for a single moment; all that I am saying is that when any of the Members from this side have accused them,—the Indian Members of the Executive Council,—of not having shown that patriotism which they expected of them, it was patriotism of the kind which would commend itself to their own countrymen.

Sir, my Honourable friend, Dr. Banerjee, made very exhaustive observations about the food situation in Bengal. The food situation in Bengal was indeed terrible and, as I have stated on a previous occasion, the sole responsibility for that was of the Government of India. My Honourable friend, Mr. Chatterji, when he made his speech could not resist the temptation of having a fling at the Muslim League Ministry in Bengal. His speech gave one the impression that he was coached to praise the Food Department of the Government of India; but I am afraid Mr. Chatterji has proved a very poor pupil, and I only hope that in the interest of his students he is a better teacher. He stated that the Government of India could only take food to Bengal and it was the responsibility of the Provincial Government to make arrangements for its distribution. Surely, Sir, my Honourable friend has been long enough in this House to know that the means of transport,—the railways which are the only means of transport these days,—are not under the Government of Bengal but under the Government of India. And it has been discussed on a previous occasion how the railway department of the Government of India failed to come to the rescue of the people of Bengal during the time of the last famine. I shall not take the time of the House by repeating what has been already said.

My Honourable friend, Sir Reginald Maxwell, made indeed a very lucid speech on the 8th February last while speaking on a non-official Resolution. Similar reasons and similar sentiments and similar arguments were repeated by the Leader of the House when we were discussing the grant of money to the Executive Council; and I might say that very much the same sort of thing was said by His Excellency the Governor General when he addressed the Members of the Central Legislature. The impression which these gentlemen intended to convey to the world at large was that the British Government have done everything conceivable and everything possible to secure the honourable co-operation of the peoples of India in the prosecution of this war, and that it was really the Indians who were responsible and who were guilty of not having come forward to offer honourable co-operation in the interest of the defence of their country. Sir, the Honourable the Home Member divided his speech into three parts. He told us that in October 1939 the then Viceroy Lord Linlithgow made a certain offer and invited Mr. Gandhi, Dr. Rajendra Prasad (the then President of the Congress) and Mr. Jinnah to a joint conference with him. He put forward certain proposals; I shall not repeat them because Members of this House are fully aware of what those proposals were. But the Congress were not willing to even consider those proposals at that time. Then he told us that in 1940 again the then Viceroy made certain proposals which would have enabled leaders of public opinion in this country to shoulder at least some of the responsibility for the defence of this country; and he told us that at that time also the Congress refused to have anything to do with those proposals. And then he told us that again in 1942, what are known as

1 P.M. Cripps proposals were brought out to India on behalf of His Majesty's Government and that again the Congress rejected those proposals. I think it would have been only fair if the Honourable Member had told this House as to what was the attitude of the other parties with regard to these proposals. Let me tell you that as far as the Muslim League is concerned, from the very beginning we have realized the importance and

the necessity of doing our utmost to defend our hearths and homes, and I would refer to a Resolution of the Muslim League that was passed in June 1940 when the war was not going well for Great Britain and its Allies, when things indeed were very serious. What did the Muslim League say then? It said:

"The grave world situation demands serious efforts on the part of every Indian for the defence of his country, and the Working Committee call upon the Government of India to prepare the country in an organized manner to meet every eventuality."

That attention of the Government of India was drawn to this long before the 8th of August declaration was made. The same Resolution further says:

"The Committee, therefore, authorize its President to enter into communication with His Excellency the Viceroy with a view to explore the possibility of devising prompt and effective measures to mobilize the country's resources for the purpose of intensifying war efforts and defence of India. The Committee is of the view that until a satisfactory basis for close co-operation is agreed upon on an all-India basis between the Government and the Muslim League and such other parties as are willing to undertake the responsibility for the defence of the country in the face of imminent danger, the real purpose and objectives will not be served and achieved."

It was in June, 1940. The 8th of August declaration of 1940 which was intended to seek the co-operation—and I might say, Mr. President, by co-operation I mean honourable co-operation—offered to the Muslim League—the Congress having already declined to even consider the offer—two places in the Executive Council, as if the Muslim League was dying to have two jobs in the present Government of India. Sir, I would like to mention as to what were the reasons why the Muslim League rejected the offer that was made to it and my object in doing so is to show and prove that the British Government, in fact, never desired the honourable co-operation of the peoples of this country. The type of co-operation which they have been wanting from us is the type of co-operation which is offered by camp followers and slaves,—not the type of co-operation which equal partners in common enterprise can offer. Sir, the Working Committee considered this offer of His Excellency the Viceroy and they rejected the offer on the following grounds:

"The Committee are not yet aware of the manner in which the entire Executive Council will be re-constituted. The Committee have no information as to which are the other parties with whom the Muslim League will be called upon to work. The Committee understand that the President has not been informed as to what portfolios will be assigned to every one of these additional Members. The Committee are merely asked, without any further knowledge or information except that the total number of Members of the expanded Executive Council will be in the neighbourhood of eleven, to send a panel of four out of which two will be selected for appointment as Members of the Governor-General's Executive Council. As regards the proposed War Advisory Council, . . . which is now called 'the National Defence Council', it is neither national nor is there any defence matter concerned."

Dr. P. N. Banerjee: Nor is it a Council in the proper sense of the word.

Nawabzada Muhammad Liaquat Ali Khan:

"As regards the proposed War Advisory Council, the Committee do not know its constitution, composition and functions beyond the information that it will probably consist of about twenty members, and the Committee are asked to submit a panel out of which five will be nominated by His Excellency the Viceroy."

Now, I ask you, Mr. President, could any decent party accept an offer of this kind, and I submit that the offer was intentionally made in a manner which would not be acceptable to any honourable man or a decent party.

Then, Sir, I come to the third stage and that is the Cripps proposals. What was the position with regard to those proposals? With regard to those proposals, Mr. President, the position was exactly the same, and I will tell the House as to why the Muslim League thought it necessary not to accept them. Apart from that, let me tell you—it is no secret—that the Cripps proposals were intended to be given effect to only if all the parties and all the interests would agree to the acceptance of those proposals. There was no room for any modification in those proposals; the future could not be separated from the present. And now, Sir, let me tell you why the Muslim League rejected those proposals. They rejected the proposals because there was no room for any modification of any kind. I am here concerning myself with the interim

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arrangements which, it is claimed by the Government, would have given all the power that the Indians could demand:

"With regard to the interim arrangements there is no definite proposal except the bare statement that His Majesty's Government desire and invite the effective and immediate participation of the leaders of the principal sections of the Indian people in the Councils of their country, of the Commonwealth and of the United Nations. The Committee are therefore unable to express their opinion until a complete picture is available. Another reason why the Committee are unable to express their opinion on the interim arrangements for participation in the Councils of the country is that Sir Stafford Cripps has made it clear that the scheme goes through as a whole or is rejected as a whole, and that it would not be possible to retain only the part relating to the immediate arrangements at the Centre and discard the rest of the draft scheme."

Mr. President, my object in taking the time of this Honourable House by relating these facts was to show that the British Government really never desired the co-operation of the peoples of this country. On the admission of the Honourable the Home Member the Congress were unreasonable. Let us concede, that they were unreasonable. You have demand them. You have outlawed them. But what about the other parties in the country who have always been willing to cooperate? What have you done for them? What I submit is that you never intended that true representatives of Indian opinion of any section in the land should be associated in your Councils. You only wanted men who would always say 'yes' to whatever you chose to place before them. That is the reason why you have ignored the hard of friendship of every other party in this country. Mr. President, the British Government, the British people and my Honourable friends of the European Group are greatly annoyed when anybody from this side shows any distrust of the promises and the professions of the British Government. But, Sir, if we show any distrust, it is due to their own policy and their own actions. They always placed formulas before the people and the reason for showing that distrust is not unreal. I shall read an extract from the speech of the Governor of Burma, Sir Reginald Dorman-Smith, which he delivered in London at a gathering on the 12th October, 1943. He stated:

"I do not pretend to be skilled in Far Eastern affairs. I have only seen Great Britain in eclipse there. But one thing I can say with some surety and that is that neither our word nor our intentions are trusted in that part of the globe. The reason for that is not far to seek. We have fed such countries as Burma with political formulae until they are sick of the very sight and the very sound of a formula which has come, as far as my experience shows, to be looked upon as a very British means of avoiding a definite course of action. Our formulae have puzzled not only our enemies but also our friends because they have been hard to interpret to either friend or foe."

This is the opinion, Mr. President, not of a disgruntled or dissatisfied politician of India. This is the opinion of a British statesman who holds a very important office within the British Empire today, and who is today the Governor of Burma. Now, if really the Government wanted the honourable co-operation of the peoples of India, they would not have fed them on formulas. They would have taken some concrete action, which I submit, Mr. President, the British Government have not taken so far.

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

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

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

Nawabzada Muhammad Liaquat Ali Khan: Mr. Deputy President, before the House rose for lunch I was dealing with the offers that had been made by the British Government or on behalf of the British Government from time to time to the peoples of India for co-operation in the prosecution of this war.

Now, Sir, let me tell the Honourable Members something as to how the present Government has been ruling over this country. Since the beginning of

this war our expenditure has mounted up by leaps and bounds. No commodity has been left which has not been heavily taxed. Mr. Jamnadas Mehta, while speaking on this motion, pointed out to the Government that their policy of levying taxes upon taxes would have a very demoralising effect on those who are fighting on the frontiers of India because they would be feeling and thinking all the time about their families who have to pay all these taxes that the present Government has been levying. My Honourable friend, Mr. Jamnadas Mehta, forgot at the time to mention about the death duties which the Honourable the Finance Member proposes to impose during the next Session of this Assembly. I would request him to reconsider this matter. A soldier who is afraid of death will never be able to put up a brave fight. And if the Indian soldier is going to think that by his dying in the cause of his country his relations will have to pay taxes in the form of death duties, he will think twice before he risks his life on the battlefield.

Major Nawab Sir Ahmad Nawaz Khan (Nominated Non-Official): Your argument may be met by providing an exception.

Nawabzada Muhammad Liaquat Ali Khan: My Honourable friend, the Nawab of Dera, who, in spite of the fact that he has no voice or authority in the Government, poses to speak on behalf of the Government.

An Honourable Member: God save this Government!

Major Nawab Sir Ahmad Nawaz Khan: I have not said on behalf of the Government of India, but I say that your argument may be met by providing an exception.

Nawabzada Muhammad Liaquat Ali Khan: I think the House would have welcomed a speech from the Honourable Member at the proper time, but at this time I do not think the House is very much interested as to what are the private and silent views of the Honourable Member. There is no denying the fact that during the last four years of war the burden of taxation in this country has become very heavy. Even betel-nuts which are chewed mostly by poor people are going to be taxed. The resourcefulness of the Honourable the Finance Member is to be praised.

Dr. P. N. Banerjee: He is a research worker!

Nawabzada Muhammad Liaquat Ali Khan: But his desire for money from any source, under any circumstance, without any consideration, is to be condemned. It is being repeated day in and day out that all the help that Government are getting from the people is voluntary and out of willingness on their part. Mr. Deputy President, only a Government which is not in touch with the peoples of the country could think that all the assistance that they are getting is being offered willingly by the peoples. It is not that the peoples of India do not want to help in this war. It is not that the peoples of India do not want to defend their country. But their willing and real co-operation you can never achieve unless you have a Government in which the people will have confidence. Sir, it has been placed before this Honourable House as to how the war loans are being subscribed to. Only the other day we had the case recited here of an Honourable Member of the Council of State. - I wish to point out to Government that if they want the real co-operation, the willing co-operation of the peoples of India then they must change their policy and their outlook.

Mr. Deputy President, His Excellency the Governor General in his address to this House said that "the offer of co-operation in the Government on this basis by the leaders of Indian opinion is still open to those who have a genuine desire to further the prosecution of the war and the welfare of India". Later on, he stated, "I have spoken to you frankly and bluntly as I have been taught to speak as a soldier". He has certainly spoken to us frankly and bluntly as a soldier, but has he taken action as a soldier which is the chief qualification of any soldier, to get the co-operation of the various parties in this country? So far, I am afraid, Mr. Deputy President, the soldier Viceroy has only contented himself by making blunt statements without taking any bold action. The sins of commission and omission of this Government are numerous and if I were to discuss each one of them it would take a very long time and I do not think that I would be justified in doing so. - During the last six days, we have

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heard various complaints about various matters and the chief reason for all these complaints has been because the present Government of India is neither in touch with nor has it the good will or co-operation of the peoples of India. During the last three years the policy of the Muslim League consistently has been to oppose the Finance Bill,—not that we do not want to help in the prosecution of this war, not that we do not want to vote money for the defence of India—but because we have no confidence in the present Government. We are not willing, we are not ready to place the resources of our country into the hands of a Government which is not only irresponsible but irresponsive. We are not willing to be a party to putting heavy burdens on our people and making them pay heavily for the prosecution of this war when we find that corruption and inefficiency are writ large over the Government of India. The other day my Honourable friend, Dr. Khare, said that Some Members had accused the Members of the Executive Council of corruption. I do not think that any Member of this House even insinuated that any Member of the Executive Council was guilty of taking bribes.

The Honourable Dr. N. B. Khare (Member for Indians Overseas): I did not say so.

Nawabzada Muḥammad Liaquat Ali Khan: That was the impression which he conveyed. But what the Members from this side said was that the corruption in various departments of the Government was more rife today than it had ever been in the past. And if my Honourable friend does not know what is happening under his nose, then I cannot be responsible for that. It is a common talk in the country that those who are responsible for putting into effect the various schemes of the Government, a large number of them, are following the policy of making hay while the sun shines. As a matter of fact, I have been told by some people that a number of the officials today think. 'Well, let me make as much out of this war as I possibly can'. We are told—why don't you bring the various complaints to the notice of the Government. Does my Honourable friend know that if any contractor had the courage to do that he would be deprived of doing any business with the Government in the future? You may say 'Well, the people themselves are not honest, those people who take contracts'. May be, it is true but greed for money is the greatest curse and your present policy has created a terrible greed for money amongst some people. Therefore, I do not think that we can conscientiously place the resources of this country in the hands of a Government which is incompetent to deal with a situation like this. His Excellency the Viceroy stated:

"Our primary object overriding all others must be not merely to make certain of winning the war. The United Nations have already done that by endurance through adversities, by sacrifices of comforts, by unity of spirit, by unremitting hard work—but to win it as speedily as possible and with the least draft on future prosperity."

I am afraid the policy that is being followed is not the policy which has been stated here. The war you may win. I hope you will win but it will not be a victory of right over might. It will be a victory of greater might over lesser might and let me tell you that wars that are won because of the fact that one party has greater brute force than the other—such victories do not last very long. It is a vicious circle. Therefore if the desire of the United Nations is to save humanity from future catastrophe, then let your policy be such that it will secure for you the co-operation of all the peoples in this country. Let your policy be such that it will secure for you the goodwill of the peoples of India so that when victory comes you may be able to say that this is the victory of right over might, of justice over injustice.

Sir, a discussion of the Finance Bill is always not only on its merits, with regard to the proposals it contains, but with regard to the constitutional aspect of the question also. This Bill is attacked on merits and it is also attacked on constitutional considerations. And we the members of the Muslim League Party have decided to oppose this Bill and to oppose the consideration motion which is before the House. I wish to make it clear once again that our opposition

is not to the war effort; our opposition is not to the defence of India; our opposition is to your policy which you have been pursuing during the last four years. Our opposition is to the actions which you have taken in the past and as long as the composition of the Government of India is, as it is today, unrepresentative, irresponsible and irresponsive, our opposition shall continue. We shall go on opposing not only the Finance Bill but every other measure which you will bring before this House for putting any burden on our people.

Mr. Bhulabhai J. Desai: (Bombay Northern Divisions: Non-Muhammadan Rural): Mr. Deputy President, Sir, it is after a lapse of some three years and a half that I venture to stand before this House in vindication of the position that has been taken up in reference to the consideration of the Finance Bill which is before it. And in order to consider the grounds on which I ask the House so to do, I wish to remind you of a few events which took place on the immediate declaration of the war and soon thereafter when the Supplementary Budget as a token budget of what was called the war budget was brought before this House in the month of November 1940. Ever since the declaration of the war, as I then made it clear to the House, and differing from the philosophic view that Mahatma Gandhi espoused, for that was always and often almost in time without season impressed upon us that so long as Mahatma Gandhi guided the policy of the Congress, there was no expectation and no reasonable ground to believe or hope that Congress would be whole-hearted in support of the prosecution of a war of defence—I then made it quite plain and read out the resolution that was passed by the then Working Committee, begging to differ and dissociating itself from the view of the ultimate prevalence of what he believed as the principle of non-violence, notwithstanding the suffering gone through in the meantime. We then felt that during the short period of immediate history, while right should always be the guiding star of man and humanity it was equally necessary that, while we were attacked, it was our duty to defend and in so doing there will be no question of preferring one method over the other. I then told the House that the only ground on which we opposed the Budget was this apart from other arguments which were used, which I do not wish to repeat on the present occasion—If you form a National Government, I then submitted to the House, and put upon them the responsibility for the purpose of India's defence and such further action as may be needed in so far as the protection of democracy anywhere is concerned, India was prepared to co-operate. And by that statement we still stand notwithstanding the fact that many circumstances have in the meantime taken place and which can be used for the purpose of excusing to accept that co-operation which had been offered. By that statement we stand, not merely in words but in spirit because it is not unlikely that as a debating point it can always be said: 'If you oppose the grant which is now asked for and refuse to pass the Finance Bill, you are opposing the war and you are opposing the war effort'. The argument was too specious to require much repudiation, but none the less it was essential that we should make our position quite plain, not with reference to any new or shifting stand that we have taken today but with reference to the earliest opportunity when I had the occasion to make a statement before the House.

There are two principles which I want this House to bear in mind in order that this position that we are taking up may well be tested. We always praise such qualities in our great Allies when it suits the occasion, but we forget the basic things they stand for, when they are very inconvenient and can be easily cited against us. The two great Allies, the Americans and the Russians, lay before you a great example by which His Majesty's Government can treat India for the future and in the immediate present itself. The Americans separated from England on what may be regarded as a very hackneyed phrase 'No taxation without representation'. I am afraid, it may have become a mere school text, but tested in reality and tested by the process of the application of principles in time, they are eternal and true. And if they will not take to heart the circumstances which led to the loss of America, they cannot well complain that they lose another land for nothing. They must remember that the Bill contains, in so far as the position now is concerned, exactly the same principle in its

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real application. We have a representation which, as I pointed out on an earlier occasion, is a mere mockery. You have called together a Legislative Assembly the position of which was described—I wish it had not been so described—at all events, in the manner in which in cold print I read it, it was described to be something like this—“Oh, but we are irresponsible and we are irresponsive. Do what you like.” If that is the challenge that is thrown to the representatives of the people of India here, then they have accepted and taken up the challenge. For, indeed, it must be remembered that it is an idle boast to make a mockery of an institution and create or hope to create a false propaganda based upon it.

You have two hurdles by which this Assembly's vote is camouflaged. The first hurdle is the 39 Honourable men and woman with honourable exceptions, and the other is the friendly help of those who feel that India might well be kept for themselves, so that you really begin with something like 49 votes to start with. Therefore, it is hoped that with that hope you are prepared to tell the world that 49 and a few more represent the country. You are welcome to lay that flattering unction to yourself. That is the very first hurdle. But there is a greater one still. Even if these 39 and a few other helpmates are not enough, they still have the power to call you back again and say: “I ask you to re-consider this certified Bill. If you still persist in rejecting it, it will become the law from day after tomorrow”. This is the situation in 3 P.M. which we find ourselves in this House, and I am fully aware and fully conscious therefore that what we could have done in doing our duty, would be to so clear our position so that it is founded on principles which you may ignore at your own peril and which you may ignore at the cost of integrity. For, there is no other method by which there is an appeal left so far as I and my Honourable friend, Nawabzada Muhammad Liaquat Ali Khan, can appeal to you. For, we cannot appeal to you on the ground as I said of physical strength that you mass, we cannot appeal to you, on the ground that you wish to apply principles which are applied and which you hope to apply some day in the future, of promise which lies in embryo. God knows when the time is going to come for its fulfilment. So that, today the situation is this, that you have the illustration of people who want to vitalise and awaken the world by ideas for which they are fighting. They are fighting for freedom, and they are fighting for democracy. The very fundamental desideratum of such a fight must be that you ought to be able to fight with clean hands; that your own house is in order, that there is full freedom and that there is democracy where you can help it. Therefore, it was that 3½ years ago, I ventured to tell this House that whatever may be faults of the organisation to which I belong, there is at least one thing they are prepared to do in the grave emergency and disaster which has overtaken the world, that if you form a National Government at the Centre, it is up to us to do our best to fight this war for the protection of India and for the protection of democracy at large. But if democracy is to be used only in order that yours may be preserved and that you may preserve India as your property, that is a very different proposition. So that if you are fighting for democracy you will have the first desideratum, the first requisite necessity, not on any terms, not on any formula, but on the plain straight forward ground that representatives of the Indian people, for they have been elected on the very widest franchise which you in your wisdom under the last Act of 1935 gave this country, the representatives of the Indian people demand the formation of a National Government. But you prefer to carry on with people who cannot claim to represent even an iota of the section of the Indian people, whom you call co-operators. As I then pointed out, by National Government was meant—the passage is long enough, and I do not want to weary the House by reading it over, and I will give only the substance of it—it was not a mere majority Government that was wanted. It was a Government composed of the representatives of every element in the House; it was not required that the then constitution of the Government of India should be altered. We were quite prepared to place our services at the disposal not of His Majesty's Government,

but at the disposal of our own country, so that its cause may be fought with clean hands and with stout hearts.

Therefore, the first ground, on which you will easily understand why this measure must be opposed by any representative elected by the people of this country, is that he cannot be asked to pay, when it is for others to spend. It is an extraordinary demand made on their purse, it is a curious burden which they are called upon to bear without any corresponding privilege given to them. That is the reason why a National Government alone can impose taxes on its countrymen, because in its turn it has the choice of the causes on which it will spend, it has the choice of controlling the method in which it will be spent. In due course of time, I will point out to you that judged by those tests, so far as the first is concerned, irrespective of any personnel of the Government of India, you must utterly fail. None of them can claim that we should be asked to place the burden, that we should not be allowed the privilege of disbursing it at our pleasure, but that you should have the power and privilege to spend it on causes as you like. Therefore you should not wonder, if you continue to persist in that kind of constitution that this one is, if you continue to persist in ousting people's representatives from handling their own affairs, that they do not lend themselves to you as your agents and servants in finding money or resources or men for you. They have no desire to grudge men, or money or resources, for it is far better that they should find them than that you should be able to extort them, that you should resort to a policy of spoliation and expropriation which is considered in the present day as co-operation. They are co-operators, I quite agree. If you pay them amply, they are co-operators all right. I have read the list in His Excellency's speech of the co-operators, seeing as ever it represents not any section of the Indian peoples at all. I will read the list to you:

"the eminent and patriotic Indians of my Executive Council and of Provincial Governments, the fighting forces of India, the largest forces ever raised in history by voluntary enlistment; the leaders and workers of industry who have made such a contribution to the war, the Rulers of Indian States."

Yes, Sir, these co-operators represent the Indian people. I think you can make such a list and without any argument ask the next question whether you can say that the kind of co-operation that you are getting is the co-operation of any integral section of Indian people at all. I have every respect for those who co-operate in so far as their own self-interest dictates them is concerned. I do not quarrel with those who think this is their time, charge four times the price and they would be helping the war effort. But who pays the three parts in addition to the one which you paid, before we are asked to vote and pay for it? Then there is the co-operation of those who are lured by salaries, by allowances and by dazzling future and everything else. I want every Indian to fight for his country, no more and no less than you want Indians to fight for their country and also for democracy in general.

So, the question before the House is this: am I asked to vote money in order that you may conduct the war as you please, and to that proposition even you would return the answer that just as the privilege is yours, the responsibility must be yours. You can then say to the people of India: if you will not give the money to us, we have the power, the strength both constitutionally and physically by which we shall take it. To that I have no argument to offer. But I have not the least objection because even in the unfortunate circumstances in which we are placed, I have not the least objection, but I have every desire that India should be defended, but you take the responsibility of finding the money, you take the responsibility of disbursing it as you think best. That is the way in which I wish to explain. Let there be no excuse. Let there be no misunderstanding, let there be no more verbal duel that by throwing away the Finance Bill, you say: "you have shown yourself utterly irresponsible persons in this way, that you do not know what you have done". I have now explained to you that we fully understand what we are doing, and if we are irresponsible merely because we do not want to take the responsibility

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without the privilege, your irresponsibility, or as the boastful phrase goes, your irresponsiveness stands against yourself.

I say, Sir, and I say it again that though the war is coming to a successful end it is even yet not too late that a Government may be established in this country which would be representative of the Indian people and which would enjoy the confidence of the Indian people. For even during the short strenuous period that remains you cannot neglect the value of the co-operation of the people at large in any war effort in any land. And that is where the example of the other ally who has saved the world comes in: In Tzarist Russia what was the position as against Germany? They failed ignominiously because it was an army raised from the taxes exacted from the people, though they were Russian people themselves. But the same Russian people when they fight today fight because of an entirely different motive force which I think is recognised by every man from Mr. Churchill downwards. They fight because of the co-operation of the people or, to use a trite phrase, it is the people's war in that land. Unless therefore you make it a people's war,—you may succeed, and I believe you will succeed in so far as armaments are concerned,—but in so far as the vindication of a principle is concerned even at the end of the war you would never succeed in the cause of what you call democracy. For you may be quite certain that winning the war is one thing but winning the war for the purpose of establishing a larger peace, a more continuous peace, is a very different proposition. And India then cannot be left in the condition in which she is, if the hand that is offered now means, as one of my Honourable friends said, that they are merely keeping the place for us, I congratulate him in that belief and I have not the smallest doubt that it is a sincere belief, it must be implemented tomorrow and not afterwards. If we are asked to wait for it till eternity until perhaps you are not there even to keep the place, that is a different position.

The Honourable Dr. N. B. Khare: Come here tomorrow.

Mr. Bhulabhai J. Desai: I hope my Honourable friend will make a representation to His Majesty's Government so that his resignation may be asked for and accepted. That is a matter which lies in other hands, neither in my Honourable friend's hands nor mine. But so far as I am concerned, I am here to make an offer which we are bound to make, and in order to explain the position I am taking your time. I feel that in doing so I am not only doing justice to myself but I hope to evoke a sense of justice in my Honourable friends opposite. Because, if the common aim of both of us is that India shall be free, that India shall take charge of her own affairs, that India shall fight her own war, that common aim and that common purpose can be fulfilled. So far as you are concerned, I recognise that I can only address this House and those who form the present Government, and merely through them, to those who have the power to bring that condition into existence. As it has often been said in this House, we will only address you as agents and as conduit pipes. I have no personal grievance, never had one, against any single individual who forms part of Government under the constitution as it exists and the manner in which he conceives his duty and does it. Therefore our second, and perhaps in truth and in fact our first, ally has the greatest lesson to teach you even during the short period that lasts, that if you make it a people's war, if you make it the business of the Indian people to fight their war, you will surely fight it better, and more efficiently and more speedily will it end. That is the courage with which we are inspired in making this statement before you. Therefore unless these two pre-requisite conditions exist, you can take what you like but you cannot expect us to put it into your hands in order that you may be able to do what you like with it.

These two grounds being clear, the first and foremost is this that if those who have to find the money and on whom the responsibility of finding it rests

have the power and the authority to direct the policies and the spending of it, then alone would arise a condition under which you can expect the people to vote the money. Otherwise the position is that by whatever name you may call it, certification, legal and constitutional or whatever other name you may give it, it is and must remain an extortion. It is unwilling payment for you are paying to a person in whom, not in personal integrity but in the larger political sense, you could not possibly place either your future or your confidence. It is for that reason that we realise, and I repeat again what I said, that it is up to His Majesty's Government to form a national Government at the Centre and put upon them the responsibility for India's defence and such further action as may be needed, in so far as the protection of democracy is concerned. India is prepared to co-operate, and you may be certain that between myself and those whom I represent and between those whom my Honourable friend, Nawabzada Liaquat Ali, represents and the followers of my Honourable friend, Dr. Banerjea, and a few other friends, if India is not represented, you may as well shut your eyes either to fact or to reason. But if you think India is represented in the rest who are co-operating, you are equally shutting your eyes to facts and to reason. And it is for that reason that without entering into any recrimination, in so far as the basic facts are concerned, there are two matters which I should like the House to consider. I should like them to consider, before any single vote is cast upon this Bill, first and foremost that it is only a representative Government in whom the people have confidence who have the right to demand a vote on supplies. It has been proved. Fortunately so far as America is concerned it has come to the aid of Britain and democracy in general in the last war and this war. But what a great disaster would it have been if the treatment meted out to America had so torn asunder the ties between England and America that the fruition of the participation of America in the war had not taken place either on the last occasion or on this. It is easy after the event to be self-satisfied and complacent and say, "Oh, our brethren across the seas will always see to it that the little land home of theirs shall never be attacked, shall never be dominated, shall never be subjected". But the underlying principle which they want and which we want and which the rest of the world wants is that if there is anything in the freedom of every race, in the freedom of every country and the ordering of their affairs by their own representatives, then the House will naturally have no other alternative but to say that so long as that condition is not brought into existence they will have nothing to do with the passing of the Finance Bill on any occasion whatever. Equally is it in the country's interest when we take the greater question into account. I am not at all afraid, and have never been, that our eastern enemy would ever be able to make any serious inroad into this country. Without pretending to be any military expert it is possible to say that they have not got the resources for it and they have bitten more than they can chew, and it would be impossible for them to launch any serious attack on this land except for the purpose of courting a moral disaster and a retreat. But none the less in order to make things doubly sure in order to understand that the Indian people are behind you, in order to make them realise that it is their war, it cannot be done at the bidding of those who do not enjoy their confidence.

These, Sir, are the first two basic points on which, I submit, the question, so far as the Finance Bill is concerned, must be judged. There are a few other matters which I would like to touch in order to reinforce the argument which I hope I have been able to put forward with such clarity, though the brevity necessarily is due to the fact that the time I have allotted myself is fairly short.

In so far as the actual conduct of the administration of this country, irrespective of their unrepresentative character, is concerned, we must begin to consider the matter on its own merits. It is not as if every rupee is not

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deserved, it is not the issue. The issue is we shall then demand what money we wanted if we were in authority and we shall so conduct our affairs as to prevent this country from lapsing into greater and greater disaster as I shall presently point out in a few words. To many of my friends from Bengal what is called the food problem and famine becomes so essentially a personal problem in the sense of being local, that they necessarily demand what little assistance even this Government can give in the midst of their dire distress. But to me the famine in Bengal in this fifth year of the war nearly now ending, is a greater condemnation of the policy of such omission and commission of which this Government has been guilty. For, indeed, if we are living on such a margin that a requisition has to be made for the purpose of food, retrenching transport and creating of necessity inflation—a somewhat hackneyed word again, but as to which I shall have a few words to say immediately—then it is obvious that we must be living on a margin where a famine stalks the land though in one only a part of it, the rest of the country, I am prepared to state before this House, is on the margin of starvation. If you think that a famine merely exists in Bengal because the death is facing every individual in conditions of life in which they live, it is a different proposition. But if two million people are allowed to die instead of utilizing the resources of this country for the purpose of using the same two million to fight the enemy, it is a very different proposition. If the country manages its economy of money, food and clothing in such a way that they begin to realize that the paramount demands of the fighting forces and of our near neighbours—Iran, Iraq and further West, in order to maintain our goodwill with them—are to be met at the cost of the lives of the Indian people, it could not be pretended that you have followed a policy in the interest of this country. If you are living on such a narrow margin,—indeed it is realized even by the propounders of the great fifteen-year plan which the Government, without blessing it, has not failed to appreciate in so far as it evokes the study of the problem,—this is not the time for text books and for studies. This is the time for studying human factors, for saving human lives. It ought to have been realized as soon as war was declared that time may come when everything that this country can produce either should be increased or conserved. But it cannot be that it is only after two million people have died that we begin to realize that there is such a thing as food problem. And how could the Government have failed to realize it? It was common ground even in the Government records that with the sixty-five rupees income and with the food that we produce, the average Indian so far—except perhaps a million—went on one meal a day. If that was not near enough to starvation and if you cut into that one meal what the result to the country would be ought to have been understood by any Government, however little thought they may give to the problems of the poor in considering the problems of the rich, for the problems of the rich are considered times without number: ‘Oh! we must find out how India would be industrialized and we must find out as to what is to happen to the future?’ But there is another side also. Therefore, it is that I do say to this House, to my Honourable friends opposite that they should have—whether it is a collective responsibility or individual is a matter of no concern to those who speak in the name of the Indian people—that it ought to have been foreseen that Indian people were living on an absolute, practical absence of the margin of safety in the matter of food and of resources, and the economy of India should have been so arranged that this disaster should have been and ought to have been averted.

Coming next to what was said that India was getting richer because our balances—or what are called sterling balances—in England are rising: I do not pretend to be a great theoretical economist but I do understand—and I have worked out in concrete matters—as to what that means. It merely means Indian revenues or Indian debt position as paid either for men and material or imponderable services which Britain was primarily liable to pay, it is that

payment which is made in this land and which has resulted in the coining of a sum nearly a thousand crores of printed paper. But it may be said, 'what does it matter; as against that you have or you are likely to have 975 million sterling in England'. I do not believe in lending credit when I myself am a pauper. It is an extraordinary economic proposition that I am the poor man, but in the meantime those who take my materials, those who take my services need not pay for it at all, but say 'it is to your credit; it is lying there; it is any day available'. What would you think of the answer if a money-lender goes and asks for money and gets the reply, 'look here, I am now starving and want you to pay me back a part of my debt', and gets the reply 'don't you think it is a great asset in my hand; I am solvent, you know that; let the money remain with me'. Will it be a great satisfaction to anybody if one has got an asset in the shape of debt due by others? That is the short analysis as far as I can see. But it goes much further; it has a deeper economic significance, because it has not been kept a secret. During many communiques and speeches it has been made amply clear. 'Oh! but the money will be at your disposal at the end of the war. It will make it so much easier for you to buy materials in England'. What does it mean? It means that having sat on your money I shall then tell you what I will give you for it; having no other money you cannot find material in any other country. Therefore it is the monopoly of trade at a price which you will dictate. Otherwise you may say, 'we are very sorry. War was fought for common purposes. 170 million was voted as gift at the end of the last war. This was a much bigger war, why not 900 million and be done with it'. So that we do not fail to understand. We fully appreciate the implication of the value of the sterling balances, but at the cost of the Indian poor. It is that on which I lay the great emphasis, and it is those thousand crores or nearing on them which has created what is called an inflation. What else has created inflation? I do not deny it that there is a certain amount of scarcity of materials, but unless India has been robbed for the benefit of other nations, there was no greater scarcity before than it is today. And after all is said and done, to clothe or feed an army of two-million people out of 400 million people, cannot be such a tax on the resources that the scarcity of commodities is that which has created inflation. I entirely deny the theory that it is the mere scarcity of materials which has created what is called inflation. The inflation is the direct result. It is merely just a counterpart of what are called the sterling balances in the other country.

An Honourable Member: It is the printing press!

Mr. Bhulabhai J. Desai: If the debt had been paid as time went on there was no need to print anything here, and a suggestion was made by my Honourable friend, Sir Henry Richardson, whom I have not had the honour of personally knowing, I mean not in such close contact,

Sir Henry Richardson: 3½ years.

Mr. Bhulabhai J. Desai: that the European bears his burden cheerfully and manfully. Well, I dare say. If they make money on this country they pay a tax on it, and if that is a virtue it is a great virtue. But what we really wanted them and expected them to do was what America made them do—selling out the British assets in this land in order at least that the Government of India might have something to get on. But that is a proposition which is difficult. That is a proposition which alone would have enabled my friend here to stand before this House and say that I am bearing my share of the burden, the burden in so far as the supplies and purchases for the purpose is concerned, and it is not that England is bearing any burden. It is not a matter of mere understanding. This House is aware of the Dunedin Award under which I believe, unless there are some other secret arrangements into which I have not been taken into confidence, the matter is still being worked in that spirit, if not actually in the terms of the award itself. So that, if the supply of materials, the supply of men and the supply of other services is made for a responsibility

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or a liability which England is liable to pay, you cannot say that those sterling balances are really such a great or attractive asset as that India should be proud of it.

I see two sinister results in it. One is the inflation in this land and the other is the almost compulsory necessity for having to pay at the end of the war for what England is prepared to sell and at the prices at which it is prepared to do, because to find another Rs. 1,000 crores is not such an easy proposition. It is easy for England. It is easy for Great Britain. But it is far from easy for this country. That state of affairs ought not to have been allowed to go on. That state of affairs ought to have been righted as soon as it began to appear, that whereas we pay what another is bound to pay, and in paying that we create such an abnormal situation in this country, as that the poor man of substance becomes poorer still. For indeed, his six rupees cannot go as far as it did before. It is not necessary, and particularly in view of the knowledge that the Finance Member possesses in this matter, to illustrate this or argue it any further. Take merely the illustration of the price of rice as given in the *Calcutta Gazette*. If as compared with four rupees it is anything between 18 and 19, you can easily see what six rupees really means in terms of commodity.

Pandit Lakshmi Kanta Maitra (Presidency Division: Non-Muhammadan Rural): Twenty-five.

Mr. Bhulabhai J. Desai: You can easily see the position of the ordinary necessities of human life—food, clothing and shelter—let alone education and let alone anything higher over the spirit of man is concerned. If you are so managing the economy of this country as to condemn it to greater poverty, what is the corresponding blessing which you are conferring upon this country?

War was regarded as a blessing—it may be for a few but even if they make Rs. 500 or Rs. 1,000 crores, when redistributed, which will never be until conditions which are perhaps not so far off, may come into existence in the rest of the world. Therefore we have the example of people who shared both the burden and the privilege and the resources of the country on an equal basis, and there you have the instance of people who inspired by that high motive have been able to save the world. I think there are no two opinions in this world that but for the miraculous, stupendous effort of Russia, where would the world have been in the preservation of democracy, it is difficult to tell. And if we make the poor poorer, we are only paving the way to the establishment where that thing shall not be. It is not a matter of being trustee of the wealth that you have for the poor to distribute it if you like. It is a question of giving it up and sharing it once for all and never accumulating it at all: so that, without intending to go into the further implications of this issue, I do say, and as germane to the question which is now before the House, the Budget, that in the matter of the grave indication that the famine in Bengal shows as to the reality of the rest of the country and as to what the purchasing power of the poor men is concerned; it both points, without going into any details I submit, that the management of the economy of this country has failed. It might be quite possible that if we had been the Indian representatives, they could have made the situation according to their own light, and even if it meant suffering the Indian people might have suffered. But how do you expect that the poor man starves himself in order that we may vote the money for you? It is an expectation which you ought not to have had. In fact I think but for the forms of presentation of the Budget, it would have been infinitely more explicit to have certified it at once if a legal subterfuge could have been found. We would have had nothing to say, or rather would not have had anything to say. You could have taken the money in the only manner in which you could have taken it against the will of the people and against their cooperation and you would have fought the war.

There are just two or three other matters which I wish to point out as part of the condition into which India's condition has deteriorated so far as the year

is concerned, and it is a subject on which I wish to speak with great restraint. It is subject of the administration of what I call the Home Department. The Honourable Sir Reginald Maxwell and I have very happy recollections of early days in rural parts of India where we did not differ so much as we do today; and if added to his integrity, which I have always admired, he had a little more mellowness and a little greater sense of justice, and looking at things from the opposite man's point of view, I think he would have been infinitely more successful. But Horatius holding the bridge, he is made as he is made. I have no quarrel, for God made him and made him well. But the manner in which he has administered this land from what he conceives to be his duty, does not redound very much nor can history read it with credit. There is such a thing as precaution in human life, but you can easily overdo it, so as to alienate the people to no purpose, and it is that which has happened, and which I want him to realise. It is merely my point of view and it is merely an expression of that aspect of the case. While I have carefully studied with some difficulty to be able to catch the exact reaction and the exact atmosphere of the House without having been here,—I really wish from that point of view that I had heard him personally and other Members opposite so that my reaction would have been more accurate, but I go as far as I can by the reported speeches to which I necessarily have had to resort. He, according to that integrity and inspired by that motive, thinks that it is far better to shut up a few thousand people as a precaution rather than take any risk. I do not here, and I will not refer even remotely to the resolution passed last year or the case that the Government has got of those who exceeded the wishes of the organisations in the methods they pursued in pursuing what they thought was their duty or their obligation. But I am one of those who have in an unqualified manner always said that if we cannot fight non-violently and gain self-government, any fight on a physical plane is not only folly but it is suicide. Therefore, I can have no sympathy whatever with all that has occurred in the prosecution of this movement except that they in their patriotism so conceived it. But the point still remains that it might have been better, there might have been a better approach, there might have been an easier replacement of the personnel of the present Government—I will not go into the question of the different offers that were made in 1939, 1940, and 1942. My Honourable friend, Nawabzada Muhammad Liaquat Ali Khan, has examined them. He has told you in plain terms, not mistakable, that you can always have a formula and so qualify it that the other side will never accept it, and yet get away with it as an argument,—I made you an offer and you would not take it. Therefore, it is that what is wanted is not a question of formula, what is wanted is not merely a make believe, but I am free to say, and as the House is aware, at least on one occasion we had very nearly reached an agreement.

That brings me to the next matter in the present situation—whether Government could do nothing whatever to attempt to solve it. Sir Reginald sees no deadlock because he says, the Executive Council of this Government is functioning, where is the deadlock? I quite agree. If the deadlock requires that you should not be able to function at all, then I quite agree that we have not done it, and I do not think it was anybody's intention. But the fact remains that if the representatives of the people who are not in the Government, are not co-operating with it, whatever dictionary meaning of the word deadlock may be, to an un instructed man like myself, it is worse than a deadlock. You can withdraw that word if you like. Therefore, I say, by whatever name you call it, the situation is one which has got to be solved in the interests of all of us concerned. I do appeal to my friends opposite to make it possible. There is nothing lost in making an effort, there is no encouragement that you can give which would be wasted, but if you do not do it and people are uncharitable enough, you must pardon them. I think they would be uncharitable. It may be that you find that it is convenient to carry on the Government of the country on the line of least resistance as it is happening to-day with this House, which

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is a House in name, which is democracy camouflage because during the five years that I have remained in this House day to day, some 200 odd Resolutions and amendments were carried apart from the ordinary legislation, and not one of them was responded to by the executive who sit on the other side. If that is not a condemnation of the camouflaged constitution that we have got, you cannot produce any better.

There is one more word I would like to say in justification of the position that we take up. It is a position which is perfectly clear. It is a position which is intelligible if you only examine it from the point of view that would prevail in any country if you were ruling over a subject race. It would be found in any land. If they told you, while we are subject, we cannot co-operate, but as free men we are quite open not merely to join you, but to take over the government of the country itself and fight as free men—I do not think it is an offer which, however differently you might translate it, you might reject, and you will reject it at your peril. We therefore cannot be responsible for imposing burdens on our country which you wish to govern in your own way. I say that there is not smallest doubt that whatever may be the causes, so far this country is concerned, it is economically down, it is more depressed than we began in 1939, its resources are getting less and less, though in terms of money a few multi-millionaires might be adding to their riches. The poor man is proper, the one meal man is starving and the half meal man has died in two millions. If that is not enough condemnation of—in the light of what might and ought to have been done—condemnation of the present policy, in contrast with what ought to have been done, you cannot produce a greater and stronger evidence. I submit in all humility, both on ground of principle and on the ground of the deteriorated condition of the country, we cannot be a party to voting money for this Government.

Some Honourable Members: Let the question be now put.

The Honourable Sir Jeremy Raisman (Finance Member): I must admit that I find myself in a position of some difficulty. There have been two kinds of debate on this Bill, one has followed what I may call the purely political or constitutional line, and the other has attempted to deal with the Bill on the merits and has dealt with various detailed aspects of the administration of this country. Now, Sir, as regards the constitutional issue, I must admit that I do not regard myself as qualified either by knowledge or by training to pronounce on the issues which the two last speakers have put forward today. I would only say this, and this is how the matter presents itself to me, both from my administrative experience and in relation to the day to day problems with which I have to deal. I would only say this. It is a matter of great interest to observe that on this occasion the two great Parties whose representatives sit opposite us have arrived at a measure of agreement as to what should be done about the Bill before the House. They have apparently agreed that they should register their disapproval of the Government as at present constituted. My Honourable friend who has just sat down said 'How can you expect us to vote the supplies which you, a Government whom we do not approve, will spend'. That is quite clear. It is a simple and direct enunciation of the position which he takes up. I understand that my Honourable friend, Nawabzada Liaquat Ali Khan, adopts exactly the same attitude.

Nawabzada Muhammad Liaquat Ali Khan: Exactly.

The Honourable Sir Jeremy Raisman: I should like to feel that they both adopt the same attitude for exactly the same detailed reasons but I will not go into that. What does strike me is this—and I am speaking now as a humble administrator. You all know that I have spent my life in the tasks of administration of this country and that I have no pretence to any political experience or expertise. What I would like to know is this—can we hope to see that this

combination will continue to go further? May I, to put it from my own personal point of view, hope to be relieved from the difficulties in which I now find myself, that of having to carry out my duties to get legislation passed in a House in which the Government does not enjoy a majority? We hope to see that this combination will continue on fruitful lines, so that we may look forward to a speedy solution of the difficulties which give rise to all this trouble that we are facing today. My Honourable friends opposite have made me think that they have taken the first step. I hope that they have. I hope it is the first of a number of steps which will resolve what is called the impasse, which will show the way out of the deadlock and which will relieve me and my Honourable friends and colleagues on this Bench of the duty, the melancholy duty, of carrying on without the support of my Honourable friends opposite. Nobody would be happier than I to see this Bench occupied by a Finance Minister who could command the support of that side of the House. I can assure my Honourable friends, and I speak in all sincerity, that nothing would give me greater pleasure. I should be extremely glad and interested to see how a national Finance Minister in this position would deal with the problems which would arise, the problems which arise in times of emergency and crisis. I realise that a Finance Minister in my position inevitably works under great handicaps. I should be glad to see to what extent the advantages which a national Finance Minister enjoys could assist him to overcome the great difficulties, the technical, the objective difficulties which arise in the administration of finance in time of war or in times of emergency. Sir, I am not speaking with any ironical intention when I say that we on these Benches would be only too glad if we could feel that the union of the Parties opposite was not merely a union for a day or for a moment, not merely to express their agreement on a negative, namely,—we do not like you. Well, unfortunately, we have to admit that that is what you mean. You do not like us but that alone surely is not going to form the platform on which you can deal with the problems of this great country. You have to advance just a little beyond that. We on these Benches would be very glad indeed to think that this would be the beginning of some more extensive, more fruitful combination between the great Parties on the Benches opposite.

Now, Sir, I have said that I have not had any special experience of the political problems of this country. My life has been spent in dealing rather with the more technical problems of administration. I have in the course of that experience naturally acquired, I hope, some understanding of the wider problems which face the country. I have given my own personal reaction to the constitutional arguments that have been advanced today and that is all that I can do. I feel that I owe it to a number of other Members to endeavour to deal with the questions which they raised in the course of some six days debate. My Honourable friend, Mr. Bhulabhai Desai, I ought to say, I was very glad indeed to see in this House again after several years. I shall endeavour to deal with the questions which were raised during the six days when my Honourable friend, Mr. Bhulabhai Desai, was not present in the House and I trust he will forgive me if I go on to deal with the rest of the debate on the Finance Bill.

Now, Sir, there was a good deal said about inflation, as I expected and I must admit that it is a subject on which I have had the greatest anxiety. I am free to admit that my greatest regret will always be that this measure of inflation should have occurred during the period of my stewardship and that it continually revolve in my mind the causes and the events which led up to it and I endeavour to see whether I can satisfy myself as to how it could have been avoided. My Honourable friends know that in practically every country situated as India is, in all the neighbouring countries, the same phenomenon of inflation has appeared and that it has taken much more serious forms than it has in India. But that, I admit, is not enough. In India we do aspire to a standard of Government and administration which is higher than in all neighbouring countries, even though we may not have achieved a national Gov-

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ernment. I often wonder exactly what the critics would have done in the situation in which we found ourselves. Now, I am deeply grateful

4 P. M. to my Honourable friend, Mr. Jamnadas Mehta, for having given me a positive response to the question which I asked him. I asked him what he would have done and he very courageously stated what he would have done. He said that on the first day of the war he would have imposed a capital levy on all property of Rs. 10,000 and upwards on a very steep and drastic scale.

Mr. Jamnadas M. Mehta (Bombay Central Division: Non-Muhammadan Rural): I said first taxation and thereafter what you are saying.

The Honourable Sir Jeremy Raisman: I am not sure what was the nature of the taxation, but, at any rate, I understood that his main remedy would be a capital levy of that kind.

Now, Sir, I would like before I go further to remind the House that my Honourable friend, Mr. Jamnadas Mehta, has expressed himself in the strongest terms in regard to the procedure of this Government in not altering even during the interim of two or three days its budget proposals in order to take account of the decisions which this House registered on the cut motions. Therefore, I take it that we discuss this matter on the basis that everything has to be passed through the Legislature. My Honourable friend is not, in fact, on the first day of the war an economic dictator any more than I was, so that we discuss this on the basis that he has to get his proposals through this Legislature.

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

Well, Sir, I myself waited till January 1940 before I took any drastic anti-inflationary action, and in January 1940 I introduced the Excess Profits Tax Bill to levy a tax of 50 per cent. on excess profits. Now, I do not know whether my Honourable friend has read the record of the debates that took place in this House on the Excess Profits Tax Bill or is aware of what concessions had to be made in order to secure the passage of that measure. It is a much more modest measure than the one he has in mind, but I would ask him in the light of that experience whether he seriously contends that he could have got a capital levy through this House by a majority of the House at that time. And, mark you, he would have done so at the beginning of the war. I understand he would not have waited till fortunes had been made or till incomes had begun to rise but he would on the first day of the war have imposed a capital levy of these dimensions.

Mr. Jamnadas M. Mehta: You can go on saying all this. But I said there should be first taxation. Kindly read my speech.

The Honourable Sir Jeremy Raisman: At an early stage of the war, at any rate. Well, Sir, I beg leave to doubt whether, in the first instance, he could ever have got such a measure through this or any other House and, secondly, whether even if he had succeeded, it would have been technically adequate to prevent the consequences which it was meant to prevent.

Now, I would like to tell my Honourable friend and to tell this House what I would have done if I were in a position to deal with inflation as I think I should have been. What would have been my conditions supposing I had been asked: What are the minimum conditions which you would stipulate in order to be able to deal effectively with inflation? They are very simple. I believe that the measures which were actually adopted by this Government would have been adequate provided they covered the whole field. And by that I mean this. In the first place, if the jurisdiction of the Central Government had applied to the Indian States as well as to British India, there would have been a very different story. In the second place, if the income-tax jurisdiction of the Central Government had applied to agricultural incomes as well as to non agricultural incomes, there would have been a very different picture. My third condition would have been that I should have had an Income-tax Department three times the present in size. My fourth condition would have been that I should have had a price control staff 50 times the present staff, a staff of efficiency and integrity. Now, Sir, in so far as I failed to secure those

conditions, I plead guilty to having caused inflation. If my Honourable friend thinks that I could have got the Indian States within the jurisdiction of the Central Government and that I could have rendered the whole of agricultural income in this country liable to Central income-tax, that I could have expanded the Income-tax Department to three times the present size within the time allotted and that I could have obtained a staff of integrity and efficiency 50 times the staff at present at our disposal in order to administer price control,—if he thinks that all those things were possible, then I plead guilty to having caused inflation. Otherwise I have the strongest objection to his using the terms that he does, when he says the Finance Member reduced the income to one-third and that the Finance Member has destroyed the morale of the people. I have the strongest objection to these terms. I could equally well say: "My Honourable friend Mr. Jammadas Mehta has destroyed the morale of the people because he never touched the issue which concerns inflation and has only stood up for the interests which he represents. He has not been concerned with the solution of the general problem but he has been concerned with maintaining or improving the relative position, the bargaining position, of the interests which he represents." I could have done that. If I could have concentrated solely on protecting the position of the Government servants, who are recipients of fixed income, I should have been very happy and I should have known how to do it. But unfortunately I had to see sacrificed most of those who ought not to have been called on to make sacrifices because it was impossible otherwise to deal with the problem.

An Honourable Member from Congress Benches: (To Mr. Jammadas M. Mehta) Vote with us now.

The Honourable Sir Jeremy Raisman: I am greatly interested in the vote that is going to happen in a short time. The minds of the Honourable Members have been made up; they had been made up for a considerable time. And I am not so innocent as to hope that anything that I may say will turn a single vote.

An Honourable Member from Congress Benches: Then do not say anything.

The Honourable Sir Jeremy Raisman: If it is the desire of the House, I am perfectly prepared to spare myself and them. But this is an example of the tyranny of this sort of thing. There are some Members who are interested in the merits of this Bill and would like to know, I understand, what is the Government's reply.

Sir Muhammad Yamin Khan (Agra Division: Muhammadnagar Rural): Certainly.

The Honourable Sir Jeremy Raisman: Now, Sir, I come to the question of sterling balances. My Honourable friend the last speaker had something to say on this. I quite realise that if you start from such diametrically opposite points as we do, as he and I do, your views on a question like the sterling balances are bound to differ. But looking at it from the point of view of an observer on international financial developments, the sterling balances which have accumulated to India's credit are only one example of something that is happening in various parts of the world today. Those balances arise from what is technically called the transfer problem. In other words they arise from the fact that supplies in kind cannot always be compensated by supplies in kind, that the main belligerent countries, Britain, America and Russia cannot undertake to return in kind a value equivalent to the assistance which they receive during the conduct of the war. It is to solve that type of problem that the conception of lease-lend, the conception of mutual aid was evolved during this war. It was realised in the light of experience following on the last war, that it is undesirable that large international debts should grow up, and that it was very difficult to deal with them. So, it was felt and we have to thank President Roosevelt and the American administration for evolving this solution. It was felt that during the pendency of the war, goods which were required for the pursuit of the common effort should not be paid for in cash. India, as my Honourable friend, Mr. Desai, emphasises is a poor country and therefore, per-

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tainly in relation to Britain it has not been suggested that any form of lend-lease should be embarked upon. In the case of America, India has received goods on lend-lease and India is giving a return by way of reciprocal aid. But India has received a considerable amount of goods of the same kind from Britain, warlike stores of various kinds necessary for the defence of the country. India has not embarked upon reciprocal aid to Britain so that we have the emergence of the sterling balances. I do not know how my Honourable friend, Mr. Desai, would have avoided that, except, of course, by refusing to have anything to do with the war. I began by saying that in that respect, of course, we were not on common ground because in the situation in which we find ourselves, Mr. Desai would not have agreed to co-operate in this war, whereas we the Government of India are determined to do so. In regard to sterling balances, various misgivings have been expressed from various quarters of the House. I myself feel that India's case is a clear case and a strong one. India has made sacrifices during the war. She has an extremely low standard of living. It is in the fitness of things that India should expect that after this war, the standard of living of the Indian people shall be raised even though it may involve a reduction in the standard of living of some western countries such as America and Britain. That is India's case and it is a strong case. I would however like to say on this point that not all the sacrifices that India has been called on to make during the war have been due to the diversion of goods to military use. It is not merely the diversion of those goods that has resulted in hardship, but the scarcity occasioned by that diversion unfortunately created an opportunity for such exploitation, such merciless exploitation as has rarely been seen in this or in any other country, and a greater part of the hardship which was inflicted on the poor of this country was, I regret to say, inflicted by the trading and commercial classes of this country. When my Honourable friend says, we do not mind if you pay three or four times the price you did before, but he has to pay for it, and again when he says, why should you expect us to vote the taxes, my answer is that exploitation has taken place, and that no matter what your politics may be, it is a part of your duty to attempt to rectify the results of that exploitation. That is one of the things which it is the object of the Government to achieve by means of this Finance Bill.

I was saying, Sir, that the normal method of international finance during the war has changed and that the conception of lease-lend has appeared on the scene. Nevertheless, there are many, and particularly in this country, who feel that the financing of war must be looked at from a purely commercial point of view and not merely from a commercial point of view, but from the narrowest commercial point of view. There are those who feel that it is consistent with the part that India plays in this war that she should extort the maximum of financial benefit from the circumstances of the war. Critics who take that view are in my opinion usually animated purely by political prejudice. There are many who feel, I regret to say, that they would like to inflict damage on Britain even though it gives no advantage to India. That is obvious in the case of criticisms regarding the sales of gold which are at present taking place. These sales are intended to assist to solve the same problem of financing the war. India is not asked to embark on the principles of lease-lend. But she is asked to take gold as a commodity sold at the market price. This is regarded by my Honourable friend, Mr. Krishnamachari, as an atrocious, as an immoral, as a highly unethical proceeding. I said the other day in my reply to the general debate on the Budget that the price at which gold was being sold was comparable with the price at which many of the articles which were being bought by His Majesty's Government and the United States were being sold to them by India. But speaker after speaker got up and said: "Oh! no, the supplies to Britain, the supplies to America are sold at a controlled price". Undoubtedly in many cases they are sold at a controlled price, but that controlled price is not necessarily lower than the index at which gold is being sold today. In some cases, it is actually higher. For instance, the controlled

purchase price of jute and cotton textiles is higher by about 80 per cent. than the pre-war price, of tea, it is up by 94 per cent., the control price of *ghee* has gone up by 135 per cent., of flour by over 200 per cent., and of rice, well, I would not mention rice. The uncontrolled price of gold is at the present moment only 70 per cent. above the pre-war price. But apart from that I suggest that the whole approach to this matter is wrong. I suggest that Mr. Krishnamachari and others who have commented on this are allowing their political prejudice to run away with them and that their agitation would be detrimental to India. What would happen if the Government of India were to exact and were to receive a share in the so-called profit? The only thing that would happen would be that we should receive some additional sterling. Because I must emphasise one point and it is this. Every rupee raised by His Majesty's Government through sale of gold is paid over to the Government of India to meet recoverable war expenditure. It must be remembered that there would be no more rupees forthcoming, if the Government of India share in these so-called profits, than there are at present.

Mr. Hooseinbhoy A. Lalljee (Bombay Central Division: Muhammadan Rural): Why?

The Honourable Sir Jeremy Raisman: The gold would be sold at the same price and therefore the rupees which would be obtained from the buyers would be exactly the same. But we should have to credit ourselves with further sterling.

Mr. Hooseinbhoy A. Lalljee: Where is the harm?

The Honourable Sir Jeremy Raisman: What is the good? On your own showing the same people who have expressed misgivings have also expressed misgivings about the rate at which the sterling balances are growing and the figure which they have already reached. And what I am pointing out is that if you did what my Honourable friend, Mr. Krishnamachari, suggests the result would be a further accretion of sterling

Mr. Hooseinbhoy A. Lalljee: They are valuable, according to you.

The Honourable Sir Jeremy Raisman: But misgivings are being expressed. I am pointing out the kind of quandary into which you get when you try to apply a highly *bania* mentality with political animus to this kind of problem. But a more serious result in my opinion would follow. I think my Honourable friend and certainly various others did express their misgivings about the size of the sterling balances. I have already stated my view, as to the strength of India's case, in regard to that matter. But I should be reluctant personally to see these balances swollen by an element which did not advantage this country, and I think myself that this small accretion would be more capable of doing harm to India's case.

Mr. T. T. Krishnamachari (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): How?

The Honourable Sir Jeremy Raisman: If a matter of this kind should ever have to be submitted to the impartial judgment of any tribunal I would say that you would have damaged your case.

Mr. T. T. Krishnamachari: Will you submit your silver sales to the same tribunal?

The Honourable Sir Jeremy Raisman: Yes, certainly, I am perfectly prepared to submit this also, because my criterion is the same. Your financial operations are those of an ally in the war: you are not merely a *bania* in this matter but an ally. And therefore your whole attitude must be something different. Now in the case of silver, we sold silver for a purely war purpose; we sold silver to His Majesty's Government at a time when silver was required for an essentially war purpose. It was required to some extent, I may say, even for the battle of Britain. Silver is very largely used in the photographic processes of the Royal Air Force. Now we sold silver when it was required for a war purpose and I admit we refrained from saying that we would extort the maximum price that we could. We sold it for a price which involved no loss and it was used entirely for a war purpose. Now, my criterion here is

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exactly the same. We are prepared to see gold sold for a war purpose in a manner which yields us no profit; the proceeds of those sales are used entirely in order to finance the war expenditure of His Majesty's Government and America in India. The amount of prejudice which has been imported into this question and the incredible ignorance can be illustrated from almost any journal, but I will take an example from a paper which I was reading only yesterday. This enlightened paper gives two columns and a bit on a subject called "The Gold Sales Scandal" and contains the following sentences which I will submit to the expert judgment of my Honourable friend, Mr. Krishnamachari.

Several Honourable Members: What is the name of the paper?

The Honourable Sir Jeremy Raisman: It is "*Roy's Weekly*"; It says:

"But the continued drop that has been noticed in the sterling balances of the Reserve Bank gives a partial indication of the extent of the gold sales in this country."

And then it goes on—

"Both the Government of India and the Reserve Bank of India stand condemned in the eyes of the public of India. The danger of permitting the U. K. and the U. S. A. to sell gold in this fashion in payment of their sterling liabilities is already visible in the downward trend of the sterling balances at the disposal of the Reserve Bank to which we referred earlier in this article. By an extensive manipulation of the gold market mechanism Britain could in the long run even wipe out our entire sterling balances; which it is our intention to preserve and redeem in goods and not in gold."

Well, Sir, as an example of the incredible miasma of confusion that has been imported into this question largely as a result, as I say, of the political animus which primarily actuated my Honourable friend, this is the sort of thing we have. I would ask him whether he can make anything out of that.

Mr. T. T. Krishnamachari: I am not responsible for "*Roy's Weekly*". I do not edit it.

The Honourable Sir Jeremy Raisman: But my Honourable friend is responsible for stimulating a good deal of the lucubrations that have been produced on this subject.

Sir, I must leave that point and go on to deal with some of the questions that have been raised in regard to the taxation proposals. Before I do that, there are two questions which Sir Vithal Chandavarkar put to me which I think I should attempt to answer. The first was in relation to the question of the British commercial assets in this country. I am not quite clear what exactly the proposal was which he wished me to discuss, but apparently it related to British commercial assets in India which are private property and which belong to private individuals and companies. I gather that he thought that His Majesty's Government might somehow raise funds on the security of those assets. He, however, then further went on to say that he personally entirely disapproved of any suggestion for expropriation. I am afraid I do not understand what the nature of his proposal is. If he were thinking in terms of compulsory expropriation I can understand how a mortgage might be raised on those assets. But since he himself admitted that that was not what he was advocating I do not know how anything of this kind can be carried out. I have no doubt that he and many other Honourable Members are aware that transactions of this nature are taking place on a voluntary basis; but the question of the intervention of Government by way of compulsory expropriation is an entirely different matter.

The second question that he asked me related to foreign loans. He seemed to think that I had not answered the suggestion of the economists that Allied Nations might be asked to raise their rupee requirements by loans in India. I did touch on that in my Budget speech, but I will explain what my main objection is. If those loans were raised on the same terms as the Government of India's loans then I see no reason to suppose that they would be any more successful or they would mop up any more money than we are already raising on those terms. If, on the other hand, they were raised on different terms, on more favourable terms, then I see the gravest objections from our own point of view. For those reasons I do not think the suggestion is a

practical one. It seems to me to follow that if either of these two methods can be used for financing the war effort of the Allies in this country then you are bound to deal with inflation by anti-inflationary methods and not by attempting to obstruct the war expenditure at the source. That is the point.

Now, Sir, I would like to deal with one or two matters relating to Excess Profits tax and Income-tax. I do not intend to cover all the points which might be taken up if this Bill is gone through clause by clause in this House,—I do not think it is my duty to attempt to save the House from the results which will accrue if the House rejects this Bill at the consideration stage,—and so I will not go into details. At the same time I feel that there are one or two points I should touch upon. Certain speakers gave instances where the taxes at the rates proposed in the Finance Bill and the compulsory deposit amounted to more than the whole of the profits. It is true that in certain rare cases that could happen, and I accept the criticism of my Honourable friend, Sir Henry Richardson, that we should endeavour as far as possible to prevent that from happening. We are, therefore, prepared to amend the Bill as it now stands in order to mitigate, if not entirely obviate, the hardship in cases of the nature which were stated. I regret, however, that I cannot agree to go to the further length of reducing the compulsory deposit to 17/64 in all cases as was suggested by Sir Vithal Chandavarkar. The figure of 19/64 is exactly right for companies, but we are prepared to reduce it in the case of other assessees. Sir Vithal Chandavarkar also wanted an exception made in the case of banks, railways and public utility companies. Well, Sir, I agree that some of the shareholders of such institutions may find that their income is reduced below what was

Sir Vithal N. Chandavarkar (Bombay Millowners' Association: Indian Commerce): May I interrupt the Honourable Member for a moment? I wanted exemption from the payment of the extra corporation tax of one anna and not from the payment of the Excess Profit deposit.

The Honourable Sir Jeremy Raisman: He wished those to be exempted from the additional corporation tax. Well, the difficulty is that in a measure which has to apply to a very large number of concerns, it is impossible to secure abstract equality, and I do not see why we should single out the case of the shareholders with a fixed dividend for protection from higher taxation any more than we have singled out the case of the salaried man with a fixed income. In both those cases there is a great deal to be said for sheltering them from the effects of higher taxation, but, unfortunately, it is not really practicable to make these exceptions. And since you have to pursue a policy which will be both anti-inflationary and will raise the revenue you need, I am afraid that you have to a certain extent to admit the possibility of hard cases. It is not possible entirely to prevent such hardships from accruing. I am far from admitting that all shareholders in concerns of this kind require relief. I am only thinking of cases of individuals whose fixed income consists of dividends of shares of this kind, and I say that I regret the hardship in their case just as I regret it in the case of the salaried individual.

I will not deal with the case of the life insurance companies, because I feel that the measure which has been incorporated in the Finance Bill is adequate. If we come to the consideration of clauses, I shall be prepared to discuss that further. The same applies to Sir Zia Uddin's and others' suggestion that the taxable minimum should be further raised. I should be prepared to discuss that, if necessary, when we come to clauses. . . .

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): And you also agree.

The Honourable Sir Jeremy Raisman: No, I did not say that I was prepared to agree, but I do not know whether I should spend the time of the House in traversing points which may turn out to be more or less academic.

An Honourable Member: Do not go over those points for God's sake.

The Honourable Sir Jeremy Raisman: Sir Abdul Halim Ghuznavi and

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Sir Cowasjee Jehangir wanted to know when the E. P. T. deposit would be repaid and whether it would carry any interest. I attempted to give him the answer at that time, but I may perhaps for the information of the House give it in more detail. The Finance Act, 1942, which provided for voluntary deposits also provided that they "shall carry simple interest at the rate of 2 per cent. per annum and shall be repaid within twelve months of the date of termination of the present hostilities". The E.P.T. Ordinance (16 of 1943) which made the voluntary deposit compulsory applied this provision about interest and repayment to the compulsory deposit. The present Bill does not alter that position. It seems to me that that provides the answer which my Honourable friend, Sir Cowasjee Jehangir, required.

Sir Cowasjee Jehangir (Bombay City: Non-Muhammādan Urban): I wanted to know what was the exact position of the Government with regard to the E.P.T. deposit. Is the deposit exactly on the same level as fixed deposits in a bank, or will you place any new conditions when the time comes to repay?

The Honourable Sir Jeremy Raisman: I have made it perfectly clear with regard to this deposit. I cannot give it a better character by using the analogy of a bank. The law on the subject is that which I have mentioned, namely, it is a repayable deposit and no conditions have been attached. It is impossible for me to put it on any higher footing than that; it seems to me already to be on the highest footing. If my Honourable friend wants to know what my personal views are in regard to that then I give him the assurance that they shall be repaid unconditionally. That is all that I can add to what is provided in the law on the subject.

Sir Cowasjee Jehangir objected to the clause in the Bill providing for deduction from Excess Profits Tax capital of amounts due to Government by way of advance payments of tax or by way of compulsory deposits. But surely this is only a logical extension of the provision which has been in the Act from the beginning that any debt for income-tax, super-tax or excess profits tax shall be deducted. It is obvious that money generally speaking owed to Government should not be treated as capital employed in the business.

He also made certain criticisms of the pay-as-you-go scheme, and he suggested an alternative, which may well be described as a pay-as-you-please scheme. I may say that I have considered that particular alternative and various other forms of the pay-as-you-go system. I am fully aware of the importance of not imposing on our administrative staff any heavier burden than they bear already. But if my Honourable friend has studied the Income-Tax Amendment Bill, he will see that most of the processes that have been added are purely clerical processes.

Sir Cowasjee Jehangir: Quite wrong.

The Honourable Sir Jeremy Raisman: Well, I venture to disagree with my Honourable friend. It was the intention, and I think we have carried it out, not to bring the Income-Tax Officer himself in to any great extent until the stage of assessment. Practically all the other work is done by clerical process and it is of the nature of a measure which imposes on the assessee the obligation to assess himself and to comply with the requirements of the law, failing which he will find that he has to deal with the Income-Tax Officer when the latter comes to make the assessment.

Whilst I am on this subject, I would like to answer a query that was put to me by my Honourable friend, Sir Henry Richardson, and that is in relation to the draft rules which have been published dealing with the extent to which, for excess profits tax purposes, bonuses and commissions should be allowed in computing the profits, and stocks should be included in the average capital of a business. Representations have reached me from various quarters

as to the hardships that would be involved in applying such a formula to all cases, and I realise that there is some force in those representations. At the same time, the object which those rules were drafted in order to achieve is an important one. My present position is this, and I will make it quite clear. If the anti-inflationary steps which I have included in the Finance Bill are effective, as I hope they will be, for securing the desired object, then I am prepared to hold in suspense the draft rules which were contemplated under the Excess Profits Tax Ordinance, and I would not at this stage proceed further with them. If on the other hand we find ourselves again in a position in which drastic action has to be taken, it would be necessary to consider what further measures should be taken up. I must however make it clear that even though these proposals may be held in abeyance, the provisions of section 10(2)(x) of the Income-Tax Act dealing with bonuses and commissions, section 10 (2) (xii) dealing with expenditure not wholly and exclusively incurred for the purpose of the business, and rule 12 of Schedule I of the Excess Profits Tax Act which deals with expenses incurred that are unreasonable and unnecessary, these provisions will, of course, remain in force and will be as hitherto applied in suitable cases. That is all I have time to say in regard to the questions relating to excess profits tax and income-tax.

I do not know whether I should go into the matters relating to indirect taxation. My Honourable friend, Mr. Jamnadas Mehta, and certain other speakers appear to think that the proportion of indirect taxation to direct taxation is unjustifiable. Mr. Jamnadas Mehta seems to think that all taxation in this country should be levied on those who are able to pay income-tax. That would mean that the requirements of this country of over 800 millions should be met by taxation of a class which, as far as I can see, numbers only about a quarter million, and what is more by taxation of only a fraction of that class. It seems to me that one has only to state the figures as they are to make it obvious that the system of taxation in this country cannot possibly be based on the exclusion of indirect taxation. Now if you admit the impossibility of dispensing with indirect taxation, then I claim that the measures which have been included in the present Finance Bill are of an entirely reasonable and justifiable character.

It was said that the proposed enhancement of the tobacco tax was premature and that there was no justification for it. The reasons for the enhancement are simply that we require the additional revenue of which a substantial share must be supplied by indirect taxation and that of all our present resources in the latter field, the tobacco excise is the one most capable of making a major contribution. The potentialities of a tobacco tax in so large a country as India are obviously very considerable and when this measure was introduced last year, it was always contemplated that it would presently become one of our most important productive revenue instruments, but because of the administrative difficulties which inevitably beset the introduction of any large scale organization, and particularly one of this kind, the tariff was at first pitched fairly low. Though some of these difficulties still remain the progress so far made with the inauguration of the system has been such as to enable it to sustain a somewhat larger burden, and in view of the pressing need for further revenue, we have decided that its potentialities should be more fully utilised. The proposition that tobacco stands pre-eminent among possible sources of indirect taxation and its suitability for this purpose is recognised throughout the world cannot be seriously contested.

With due respect to my Honourable friend, Mr. Jamnadas Mehta, tobacco is unquestionably a luxury, whatever its hold on the consumer, and I speak as one who has long been accustomed to its solace. It is in no way a necessity of life. It is therefore an ideal subject for taxation, since every smoker can regulate his consumption and therefore the amount of tax he will pay, and by varying the rates of taxes of different kinds of tobacco, as we have

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done, the burden of the tax can in some measure be adjusted between the different classes of the community in accordance with their capacity to pay. It has been argued that the new rates are out of all proportion to the value of the tobacco. In particular, my Honourable friend, Mr. Akhil Chandra Datta, stated that the tax amounted even last year to no less than 300 per cent. of the price of certain classes of tobacco and that at the new rates it would be 900 per cent. This argument excludes the fact that this is essentially a consumer's tax, that the cost of the original product is not therefore a relevant consideration and that the tax must be reckoned in relation to retail prices and to the quantity used by the individual consumer. Moreover, the figures quoted by my Honourable friend are at variance with those compiled by my excise staff. These show that the wholesale prices of *hookah* and chewing tobaccos during the past year have ranged as high as Rs 100 a maund and that the average was in the neighbourhood of Rs. 40, so that, even considered in relation to wholesale prices, the tax has amounted, on the average, to only about 15 per cent. On the other hand, the retail prices of *hookah* tobacco have ranged from 1½ annas to Rs. 2-8-0 a lb., and of chewing tobacco products from Rs. 8-12-0, to Rs. 110 a lb., so that the incidence on the consumer has in no case been heavy and in many cases has been negligible; and the new rates are not in any way excessive. In the case of cigarettes, the enhancement will cause an increase of half an anna in those brands which are priced at from 8 to 4½ annas for 10 and of a quarter anna in the cheaper varieties. The retail prices of better quality cigarettes will, even then, be roughly a quarter of the price of similar cigarettes in England.

I will not deal with other points in relation to the tobacco tax which my Honourable friend, Mr. Akhil Chandra Datta, raised because I think they might more suitably be dealt with on the clauses, if we get to that stage.

Dr. P. N. Banerjee: A very large 'if'.

The Honourable Sir Jeremy Raisman: One or two Honourable Members apprehended that the tax on tea and coffee may discourage the production of these commodities and operate to the disadvantage of the smaller producers and traders. Government are, of course, fully mindful of the importance of these two features of India's agricultural economy, and, even from the revenue standpoint, would never countenance measures which might diminish output of consumption of an excisable product; and in levying the new taxes the excise staff will work in close conjunction with the market expansion boards, in order to ensure that production and distribution are in no way hampered or embarrassed.

About betel-nuts, and that is the last point that I think I need touch upon, certain Honourable Members have enquired how the excise on betel-nuts will be operated. The general pattern will approximate to that of the tobacco excise,—that is to say, the charge will be raised on the product directly it becomes ready for market, but realisation of the tax will be postponed until the process of assembly has been completed and the product is about to enter the distribution markets; but it is not proposed, for the present at any rate, to extend bonded warehouse facilities beyond the centres of first assembly. It is true that difficulties may be encountered in the administration of this tax, but the experience which has been gained in the administration of the tobacco excise.

Maulana Zafar Ali Khan (East Central Punjab: Muhammadan): Will the Honourable Member permit me to state in relation to this betel-nut tax, there are two lines which I may be allowed to read?

The Honourable Sir Jeremy Raisman: I am sorry I cannot give way. I shall be very happy to have extracts from the anthology which my Honourable friend wishes to give me at some more suitable time, but at the moment I

am anxious to conclude my speech by five O'clock. It has been suggested that it will be impracticable to realise the duty on betel-nuts grown in small gardens, —at any rate, without undue inconvenience to the grower,—

Dr. P. N. Banerjee: Harassment and oppression.

The Honourable Sir Jeremy Raisman: I would point out that the rules provide for the remission of duty on betel-nuts and coffee grown for the personal consumption of the grower or his household, and that, as with tobacco, these products will not come under excise until they are to be marketed.

Now, Sir, I would like to say a word about the incidence of these taxes. Mr. Jamnadas Mehta has condemned these taxes as regressive. In regard to tobacco this criticism is very wide of the mark. As far as can be judged from the figures now available, we expect that cigarette tobacco, which represents only 7 per cent. of the total quantity of tobacco brought under excise, will yield nearly 40 per cent. of the total revenue from this excise, whereas chewing and *hookah* tobaccos which together form nearly 70 per cent. of the total quantity assessed, will provide only 25 per cent. of the total yield. The tobacco excise therefore is certainly not regressive. The criticism may seem more apt in respect of the new taxes, but their incidence on the consumer will be so extremely slight as to render this otherwise important consideration of no account. Taken over the whole population, the incidence of the taxes on tea and coffee will amount to only one anna per head per annum; and even if we suppose that only one person in ten consumes these beverages in this country the incidence will still be less than one anna per head per month. The case is the same with betel-nuts. Taking the population as a whole, the incidence of the tax is only one anna per head per annum; and even assuming that only one person in four consumes betel-nut, the incidence on each consumer is only four annas a year. In the light of those figures, I ask my Honourable friend, Nawabzada Muhammad Liaquat Ali Khan, whether he can honestly talk of a crushing burden of taxation, or whether my Honourable friend, Mr. Jamnadas Mehta, can seriously accuse me of lowering the morale of the people and of reducing their fitness to wage war, by the imposition of these taxes. On the contrary, I consider that the introduction of these new sources of revenue is of tremendous value for the future of this country. It is a familiar fact that the administration of any country can do little unless it has the resources with which to carry out its activities. The administration of India has been on a pitifully inadequate scale for centuries, and if we are to improve the level of this country in all the beneficent departments, if we are to bring it up to anything like the standard of a modern civilised country we shall have very greatly to increase the resources at the disposal of the Government. It does not matter what Government you have. It may be this Government, or, it may be, and I hope it will be the national Government of my Honourable friends opposite to-morrow, but I claim that they should be grateful to me for doing something to lighten the task which they will inevitably have to face when they come to take upon themselves the responsibility which we here have to discharge to-day. To raise revenue, to tax the people is not popular. I do not care how representative you may be of the people of the country, it does not matter by how direct a system you may have been elected, people do not love you when you tax them, when you take their money. That is unquestionably true, and in so far as, in spite of the handicaps under which we labour, and which have been so evidently pointed out by my Honourable friends opposite,—if we, shall I say, have the courage to endeavour to raise the sinews of war, the sinews of administration, I think we are performing a function which Honourable Members opposite should be grateful for because of its value for the future progress of this country.

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

"That the Bill to give effect to the financial proposals of the Central Government for the year beginning on the 1st day of April, 1944, be taken into consideration."

The Assembly divided:

AYES—55.

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| <p>Ahmad Nawaz Khan, Major Nawab Sir,
Ambedkar, The Honourable Dr. B. R.
Anthony, Mr. Frank R.
Azizul Huque, The Honourable Sir M.
Benthall, The Honourable Sir Edward.
Bewoor, Sir Gurunath.
Bhagchand Soni, Rai Bahadur Seth.
Caroe, Sir Olaf.
Chandavarkar, Sir Vithal N.
Chapman-Mortimer, Mr. T.
Chatterji, Mr. S. C.
Daga, Seth Sunder Lall.
Dalal, Dr. Sir Ratanji Dinshaw.
Dalpat Singh, Sardar Bahadur Captain.
Dam, Mr. Ananga Mohan.
Das, Pandit Nilakantha.
Ghuznavi, Sir Abdul Halim.
Greenfield, Mr. H.
Griffiths, Mr. P. J.
Gwilt, Mr. E. L. C.
Habibur-Rahman, Khan Bahadur Sheikh.
Haider, Khan Bahadur Shamsuddin.
Imam, Mr. Saiyid Haidar.
Inskip, Mr. A. C.
Ismaiel Alikhan, Kunwer Hajee.
James, Sir F. E.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Jehangir, Sir Cowasjee.
Kamaluddin Ahmad, Shams-ul-Ulema.</p> | <p>Khare, The Honourable Dr. N. B.
Krishnamoorthy, Mr. E. S. A.
Kushal Pal Singh, Raja Bahadur.
Lawson, Mr. C. P.
Maxwell, The Honourable Sir Reginald.
Mehta, Mr. Jamnadas M.
Miller, Mr. C. C.
Muazzam Sahib Bahadur, Mr. Muhammad.
Mudaliar, The Honourable Dewan Bahadur
Sir A. Ramaswami.
Ogilvie, Sir Charles.
Parma Nand, Bhai.
Piare Lall Kureel, Mr.
Raisman, The Honourable Sir Jeremy.
Richardson, Sir Henry.
Roy, The Honourable Sir Asoka.
Sahay, Mr. V.
Shahban, Khan Bahadur Mian Ghulam Kadir
Muhammad.
Sheehy, Sir John.
Siva Raj, Rao Bahadur N.
Spence, Sir George.
Srivastava, The Honourable Sir Jwala Pra-
sad.
Stokes, Mr. H. G.
Sultan Ahmed, The Honourable Sir.
Thakur Singh, Capt.
Trivedi, Mr. C. M.
Tyson, Mr. J. D.</p> |
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NOES—56.

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| <p>Abdul Ghani, Maulvi Muhammad.
Abdul Qaiyum, Mr.
Abdullah, Mr. H. M.
Azhar Ali, Mr. Muhammad.
Banerjee, Dr. P. N.
Chattopadhyaya, Mr. Amarendra Nath.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sami Vencatachelam.
Choudhury, Mr. Abdur Rasheed.
Choudhury, Mr. Muhammad Hussain.
Das, Mr. B.
Datta, Mr. Akhil Chandra.
Desai, Mr. Bhulabhai J.
Deshmukh, Dr. G. V.
Deshmukh, Mr. Govind V.
Essak Sait, Mr. H. A. Sathar H.
Fazl-i-Haq, Piracha, Khan Bahadur Shaikh.
Gupta, Mr. K. S.
Gupta, Mr. R. R.
Habibar Rahman, Dr.
Hans Raj, Raizada.
Hegde, Sri K. B. Jinaraja.
Hosmani, Mr. S. K.
Ismail Khan, Hajee Chowdhury Muhammad.
Kailash Bihari Lall, Mr.
Kazmi, Qazi Muhammad Ahmad.
Krishnamachari, Mr. T. T.
Lahiri Chaudhury, Mr. D. K.</p> | <p>Lakhichand, Mr. Rajmal.
Lalchand Navalrai, Mr.
Liaquat Ali Khan, Nawabzada Muhammad.
Maitra, Pandit Lakshmi Kanta.
Mangal Singh, Sardar.
Manu Subedar, Mr.
Misra, Pandit Shambhudayal.
Murtuza Sahib Bahadur, Maulvi Syed.
Naidu, Mr. G. Rangiah.
Nairang, Syed Ghulam Bhik.
Nauman, Mr. Muhammad.
Neogy, Mr. K. C.
Pande, Mr. Badri Dutt.
Raghubir Narain Singh, Choudhuri.
Ramayan Prasad, Mr.
Raza Ali, Sir Syed.
Reddiar, Mr. K. Sitarama.
Sant Singh, Sardar.
Satyanarayana Moorty, Mr. A.
Sham Lal, Lala.
Siddique Ali Khan, Nawab.
Siddiquee, Shaikh Rafiuddin Ahmad.
Sri Prakasa, Mr.
Subbarayan, Shrimati K. Radha Bai.
Yamin Khan, Sir Muhammad.
Yusuf Abdoola Haroon, Seth.
Zafar Ali Khan, Maulana.
Zia Uddin Ahmad, Dr. Sir.</p> |
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The motion was negatived.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 28th March, 1944