

Friday, 6th April, 1945

COUNCIL OF STATE DEBATES

(OFFICIAL REPORT)

VOLUME I, 1945

(15th February to 14th April, 1945)

EIGHTEENTH SESSION

OF THE

FOURTH COUNCIL OF STATE, 1945



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COUNCIL OF STATE

Friday, the 6th April, 1945

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

MEMBERS SWORN

The Honourable Sir Muhammad Saleh Akbar Hydari (Industries and Civil Supplies Secretary).

- The Honourable Mr. Charles Frederick Victor Williams (Nominated Official).

SHORT NOTICE QUESTION AND ANSWER

RESERVATIONS ON THE FRONTIER MAIL

279. THE HONOURABLE MR. G. S. MOTILAL : Will Government state :—

(a) Whether seats in the Frontier Mail going to Bombay are booked for the public only seven days before they wish to travel as stated in paragraph 5 of the Government of India, Railway Department (Railway Board) Circular No. 3058-TT, dated the 15th February, 1945 ?

(b) Whether, in contravention of this rule, the public are permitted to reserve seats on the B., B. & C. I. & G. I. P. Railways 15 days before they wish to travel ?

(c) Whether any change has been made in the rules for reserving contained in the Circular referred to in (a) ? If so, why that has not been communicated to the members of the Central Legislature ?

THE HONOURABLE MR. D. D. WARREN : (a) Yes. The limit of seven days refers to the advance period within which tickets may be purchased in order to secure firm reservations.

(b) I understand that provisional reservations for the public are registered 15 days in advance, but such provisional reservations are subject to confirmation by the purchase of tickets, and liable to cancellation if not so confirmed and if there is a demand for accommodation from a passenger who has bought a ticket. There is, thus, no contravention of the rule.

(c) No change has been made in the rule. The second part of the question does not, therefore, arise.

THE HONOURABLE MR. G. S. MOTILAL : Is it a fact that in this circular, the 15 days' provisional reservation has not been mentioned ?

THE HONOURABLE MR. D. D. WARREN : That is so, Sir. Provisional registration is not mentioned in the circular.

THE HONOURABLE MR. G. S. MOTILAL : Is any notice of it given anywhere in the Railway Guide or at the station ?

THE HONOURABLE MR. D. D. WARREN : I am not aware of that, Sir. I understand it is a local practice. I do not know whether it is a practice which prevails at other stations and on other railways.

THE HONOURABLE MR. G. S. MOTILAL : Why was it not then put in the circular sent to members ?

THE HONOURABLE MR. D. D. WARREN : The circular has stated what the rules are, and there was nothing to add to those rules. But this practice of provisional registration, as I understand it, is a purely local arrangement.

THE HONOURABLE MR. G. S. MOTILAL : Does not this practice vary the rules ?

THE HONOURABLE MR. D. D. WARREN : I do not think so, Sir.

QUESTIONS AND ANSWERS

PROMOTION TO GRADE OF TELEGRAPH MASTERS

280. THE HONOURABLE MR. THIRUMALA ROW : On what basis the selection for promotions to the grade of telegraph masters is made ?

THE HONOURABLE SIR MAHOMED USMAN : I lay on the table a copy of Director General's Circular giving the information required by the Honourable Member.

THE HONOURABLE MR. THIRUMALA ROW : Will the Honourable Member be pleased to state what is the basis of selection? Is it contained in the statement?

THE HONOURABLE SIR MAHOMED USMAN : If the Honourable Member reads the statement, he will get the information.

THE HONOURABLE THE PRESIDENT : When a statement is laid on the table, no further question need be asked. You can read it at your leisure.

INDIAN POSTS AND TELEGRAPHS DEPARTMENT

Director General's Telegraph Circular No. 39, Wednesday, 8th December, 1943

(8) Modification of the rules regarding the examination for promotion to the grade of Telegraph Masters.

The Government of India have had under review the present system of promotion to the grade of Telegraph Masters by means of an examination held under rules 315 to 327 of the Posts and Telegraphs Manual Volume IV. Two examinations have been held under these rules, one in September 1940 and the other in January 1942. After a view of the results of these examinations, the Government of India consider that the present system does not provide for a test of certain qualities like personality, mental alertness and good physique which are necessary for Telegraph Masters. It has, therefore, been decided by Government that the present system should be modified in order to obtain the best possible candidates by providing for a test of those qualities along with the written examination.

2. The following modifications to the present system have accordingly been ordered by Government :—

(i) The written examination will be held in the same subjects as at present but the marks for passing will be 35 per cent. in each subject and 40 per cent. in the aggregate. The permissible number of chances for appearing at the examination will continue to be four as at present. The chance or chances availed of by a telegraphist in the examination held in 1940 and/or 1942 will be counted against the permissible number of four chances.

(ii) Candidates who pass in the examination will be required to appear before Selection Boards which will be convened by the Director-General at suitable centres.

(iii) The members of the Boards will be nominated by the Director General. Each Board will be composed of three officers, one Hindu, one Muslim and one British or Anglo-Indian, and one of them, who will be common to all the Boards, will act as the co-ordinating officer.

(iv) Each Selection Board will make its recommendations in order of preference from among the candidates interviewed, taking into account the past record of the officials, their seniority, personality, mental alertness, and physique. The final selection of candidates for practical training up to the number required, will be made by the Director-General on the basis of the recommendations of the Selection Boards, and no appeal will lie against his selection.

(v) A candidate who is not selected for practical training after being interviewed by a Selection Board, will not be allowed a further chance of appearing before a Board unless he appears a second (or third or fourth) time in the written examination if eligible, and qualifies therein.

(vi) The names of the officials who have passed the examination will be communicated to the Selection Board in alphabetical order. The marks or order of merit of the candidates in the written examination will not be communicated to the officials themselves or to the Board but those who fail to qualify therein may be informed of their marks in the various subjects after the results have been declared, if they apply for this information.

(vii) Travelling expenses as permissible under the rules will be allowed to the candidates who appear for the written examination and for an interview before the Selection Boards at a station other than that of their posting.

3. The revised rules will apply with effect from the next examination. Amendments to the Manual rules will issue in due course.

4. Orders relating to officials on field service will issue separately.

PROMOTION TO GRADE OF TELEGRAPH MASTERS

281. **THE HONOURABLE MR. THIRUMALA ROW :** (a) What is the total number of telegraphists to be promoted to the rank of telegraph masters on the results of the examination held in the year 1944?

(b) What is the total number of telegraphists who qualified in the written portion of the aforesaid examination?

(c) How many of them were allowed to appear before the Selection Board?

(d) How many of them have been rejected by the Selection Board?

(e) What is the total number of Hindus, Muslims and Anglo-Indians who qualified as referred to in (b) above? and

(f) How many such qualified Hindu, Muslim and Anglo-Indian candidates were allowed to appear before the Selection Board and how many of them have been rejected?

THE HONOURABLE SIR MAHOMED USMAN : (a) One hundred and six.

(b) One hundred and ninety-eight.

(c) All, except 14 telegraphists who were exempt from appearing before the Selection Boards under the existing orders on the ground that they have rendered service in the field.

(d) None.

(e) Hindus 83 ; Muslims 16 ; and Anglo-Indians 94.

(f) With the exception of one Hindu and 13 Anglo-Indians, who under the rules were exempt from appearing before the Selection Boards, all telegraphists who qualified in the written examination were allowed to appear before the Boards. None were rejected by the Boards.

THE HONOURABLE MR. HOSSAIN IMAM : Has the Honourable Member any separate figures for the Scheduled Castes ?

THE HONOURABLE SIR MAHOMED USMAN : Out of 106 selected by the Director General the communal composition is as follows :—Hindus 28, Anglo-Indians 67, Mussalmans 9, Indian Christian 1 and other minorities 1.

THE HONOURABLE MR. THIRUMALA ROW : What is the principle governing the selection of these people ? What is the reason for such a large proportion of Anglo-Indians as compared to the other minorities ?

THE HONOURABLE SIR MAHOMED USMAN : Among the 14 who went to the Army 13 were Anglo-Indians and only one was a Hindu.

THE HONOURABLE MR. THIRUMALA ROW : Is there any special favour shown to the Anglo-Indians in the selection ?

THE HONOURABLE SIR MAHOMED USMAN : No, Sir.

PROMOTION TO GRADE OF TELEGRAPH MASTERS

282. **THE HONOURABLE MR. THIRUMALA ROW :** (a) Is it a fact that special consideration is being made for the Muslim and Anglo-Indian candidates in the selection but not for Hindus ? If so, why ?

(b) Who is the final authority for making the selection, the President of the Selection Board ?

(c) What are the standards laid down for selection ? and

(d) Whether the marks secured by the candidates in the theoretical portion of the telegraph masters examination are taken into consideration for making the final selection ?

THE HONOURABLE SIR MAHOMED USMAN : (a) It is presumed the Honourable Member is referring to the selection of Telegraph Masters from the results of the Telegraph Masters' examination, 1944. If so, the reply to the first part of the question is in the negative. The second part does not arise.

(b) The final selection is made by the Director General on the recommendations of the Selection Boards.

(c) The selection is made by taking into consideration the past record of the officials, their seniority, personality, mental alertness, and physique.

(d) No.

TRADE WITH EAST INDIES THROUGH THE UNITED KINGDOM COMMERCIAL CORPORATION

283. **THE HONOURABLE MR. NARAYANDAS GIRDHARDAS :** Is it the intention of Government to entrust the U. K. Commercial Corporation with the trade between India and the East Indies when the latter is liberated ?

THE HONOURABLE MR. N. R. PILLAI : No, Sir.

THE HONOURABLE MR. HOSSAIN IMAM : What trade is being handed over to the U. K. C. C. ?

THE HONOURABLE MR. N. R. PILLAI : No trade is being handed over to the U. K. C. C.

THE HONOURABLE MR. P. N. SAPRU : What trade is being handled by them ?

THE HONOURABLE MR. N. R. PILLAI : In reply to the next question I shall be able to give that information.

TRADE WITH RUSSIA THROUGH THE UNITED KINGDOM COMMERCIAL CORPORATION

284. THE HONOURABLE MR. NARAYANDAS GIRDHARDAS : What is the value of trade between India and U. S. S. R. through U. K. C. C. during 1944 and for the total period of war up to date ?

THE HONOURABLE MR. N. R. PILLAI : The figures are : five and a half crores of rupees (approximately) for the year 1944, and fifteen and a half crores (approximately) since the outbreak of the war to date.

THE HONOURABLE MR. HOSSAIN IMAM : To what countries are these exports made and what are the commodities ?

THE HONOURABLE MR. N. R. PILLAI : I am laying a statement on the table in reply to the next following question.

TRADE WITH ARABIA, IRAN, ETC., THROUGH THE UNITED KINGDOM COMMERCIAL CORPORATION

285. THE HONOURABLE MR. NARAYANDAS GIRDHARDAS : What is the volume, value and the categories of the trade through U. K. C. C. between India on the one hand and Iran, Iraq, Arabia, Palestine, Turkey, Ceylon and Egypt on the other, since the commencement of war up to date ?

THE HONOURABLE MR. N. R. PILLAI : The United Kingdom Commercial Corporation in India have taken no part in the export trade to Ceylon. As regards the other destinations mentioned in the question, I lay a statement on the table.

Statement showing U. K. C. C. despatches of Indian goods to Persia, Iraq, Arabia, Palestine, Turkey and Egypt since the beginning of the war

Shipments handled by the Corporation as principals

Commodities.	Countries and their Shares	
	Approx. value Rs. lakhs	Ra. lakhs approx.
Jute goods (for packing the Corporation's own purchases of cereals and other goods abroad)	60	Persia 6.2
		Iraq 0.4
		Saudi Arabia 17.0
		Palestine 6.0
Spices	15	Turkey 7.2
Cement	5	Egypt 51.2
All other commodities	8	
	<hr/> 88	<hr/> 88

II.—Supplies required for the Persian Transport Organisation carrying aid to Russia

Commodities	Approx. value Rs. lakhs
Tyres and tubes	23
Other commodities	2
	<hr/> 25

III.—Shipments handled by the Corporation not as principals but as forwarding and shipping agents in regard to exports on account of the Government of India and other Governments

Commodities	Countries and their Shares	
	Approx. value Rs. lakhs	Ra. lakhs appx.
Piecegoods	1.49	
Yarn	75	Persia 59
Steel	70	
Wheat	33	Palestine 53
Tea	13	
Sugar	3	Turkey 2.46
Groundnuts	3	
Trucks and spares	2	<hr/> 3.58
Clothing and foodstuffs, etc. for Polish relief purposes in Persia	10	
	<hr/> 3.58	

INVESTMENTS IN LOANS, ETC.

286. THE HONOURABLE MR. NARAYANDAS GIRDHARDAS : (a) Will Government state the total amount of investment by the public during the National Savings Fortnight (i) in the whole of India, (ii) in each Province and (iii) in each State ?

(b) How much was invested by classes (persons paying income-tax, land revenue or land rent of an equivalent value) in Saving Certificates and how much by others ?

THE HONOURABLE SIR CYRIL JONES : (a) Reliable and complete figures for the fortnight alone have not been maintained as that would have entailed a disproportionate amount of labour and time in the various treasuries, post offices, banks, etc. Government maintain figures only on a monthly basis, and approximate figures for the month of January, 1945 are given in the statement which is laid on the table.

(b) Statistics of investments according to classes of investors are not maintained.

Statistics of Investments in Central Government Loans, National Savings Certificates, etc., during January, 1945

[In lakhs of Rupees.]

Province	3 per cent. Victory Loan 1957	Interest free prize Bonds	Defence Savings Bank Deposits	National Savings Certificates	Post office Cash Certi- ficates	Savings Bank Deposits
Bombay	1,82	3	..	79	4	12
Bengal	1,11	2	..	21	4	28
Punjab	3,80	1	..	99	..	19
United Provinces	4,58	2	45	16	1	15
Madras	59	1	..	27	1	6
Sind	73	..	..	14	2	4
Bihar	89	..	2	42	1	3
Delhi	4	..	..	23	..	1
C. P. and Berar	9,41	..	..	19	..	4
N. W. F. Province	2	..	..	2	..	3
Orissa	12	..	..	7	..	..
Baluchistan . . . . .	..	..	..	..	..	1
Assam . . . . .	..	..	..	5	..	2
Ajmer-Merwara	7	..	..	2	..	..
Coorg . . . . .	..	..	..	..	..	..
Indian States	66	..	..	80	2	6
Total	23,84	9	47	4,36	13	1,04

FORMATION OF AN ANDHRA-SPEAKING PROVINCE

287. THE HONOURABLE MR. NARAYANDAS GIRDHARDAS : Are Government aware of the public opinion in Andhra District for the formation of a Province consisting of all Andhra-speaking districts ?

THE HONOURABLE SIR MAHOMED USMAN : I am aware that there is a certain amount of opinion in favour of such a proposal.

THE HONOURABLE MR. THIRUMALA ROW : Are Government aware that a Resolution was passed in 1938 by the Madras Legislative Assembly supported by the then Government ?

THE HONOURABLE SIR MAHOMED USMAN : There are so many proposals before the country. There is the question of Pakistan, Dravadian, and Andhra Province. (Laughter.)

SHORTAGE OF MILK IN BOMBAY

288. THE HONOURABLE MR. NARAYANDAS GIRDHARDAS : (a) Are Government aware of the acute shortage of milk in the city of Bombay and the ban imposed by the Bombay Provincial Government on the use of milk for coffee or tea in restaurants, clubs and other public catering places ; (b) will Government state the causes of milk scarcity in Bombay and other parts of British India ; (c) will Government state whether the scarcity of milk is caused by slaughter of

cows and she-buffaloes for the fighting services based in India ; (d) will Government state the number of cows and she-buffaloes slaughtered daily all over India to feed the fighting forces ; and (e) do Government propose to take steps to stop the buying of milk for fighting forces in and around the city of Bombay to make it available for civilian use and feed the fighting forces with the imported skimmed milk powder thus releasing the fresh milk for use of the civil population of the City of Bombay ?

THE HONOURABLE MR. B. R. SEN : (a) Yes, Sir.

(b) The causes leading to the scarcity of milk in Bombay and other urban areas in British India are :—

- (1) Increased demand due to increase in the population and money incomes.
- (2) Restrictions on the movement of cattle and cattle feeds.
- (3) Increase in the prices of cattle and cattle feeds, and
- (4) Difficulty of Transport.

(c) No, Sir.

(d) The statistical information desired is not readily available, but the slaughter of cows and she-buffaloes capable of producing milk is prohibited.

(e) Endeavours are being made to substitute imported supplies of tinned/powdered milk for fresh milk.

THE HONOURABLE MR. G. S. MOTILAL : Is fresh milk in the city of Bombay taken for military purposes also ?

THE HONOURABLE MR. B. R. SEN : A limited quantity of fresh milk is taken for the Defence Services.

THE HONOURABLE MR. G. S. MOTILAL : Is the Honourable Member in a position to give us the quantity ?

THE HONOURABLE MR. B. R. SEN : I think the quantity is about 250 maunds a day.

THE HONOURABLE SIR SHANTIDAS ASKURAN : How many Provinces have introduced the prohibition of slaughter of milch animals under age ?

THE HONOURABLE MR. B. R. SEN : I think all over India so far as I am aware.

THE HONOURABLE MR. G. S. MOTILAL : What is the total quantity which is brought to Bombay out of which these 250 maunds are taken for military purposes ?

THE HONOURABLE MR. B. R. SEN : I must ask for notice.

THE HONOURABLE MR. HOSSAIN IMAM : Do not Government make any arrangements to supply the Defence Services from imported milk ?

THE HONOURABLE MR. B. R. SEN : They also use a certain quantity of powdered milk.

THE HONOURABLE MR. G. S. MOTILAL : How much of it—I mean powdered milk—is used for military purposes ?

THE HONOURABLE MR. B. R. SEN : I am not in a position to answer that question.

SHORTAGE OF MILK IN BOMBAY

289. **THE HONOURABLE MR. NARAYANDAS GIRDHARDAS :** Are Government aware that people become sick after taking tea or coffee at restaurants in Bombay with milk powder imported from Australia or New Zealand ?

THE HONOURABLE MR. B. R. SEN : No, Sir.

EXPORT OF TEXTILES

290. **THE HONOURABLE MR. NARAYANDAS GIRDHARDAS :** (a) Will Government state the total quantity of textiles exported from India in the year 1944 and to what countries ?

(b) Will Government consider the advisability of banning exports of textiles from India when there is acute famine of cloth in this country ?

THE HONOURABLE MR. N. R. PILLAI : (a) I lay a statement on the table.

(b) An announcement about the future scale of exports will be made shortly.

THE HONOURABLE MR. HOSSAIN IMAM : During the session or after the session ?

THE HONOURABLE MR. N. R. PILLAI : During the session, I hope.

Figures of exports of cotton piecegoods and yarn during the calendar year 1944

	(Figures to the nearest ton.) Tons
Countries—	
Aden, including Yemen, Hadramaut	6,176
Saudi Arabia	919
Ethiopia	1,024
Eritrea	399
French Somaliland	63
Afghanistan	2,507
Arab States in the Persian Gulf	907
Australia	3,615
Belgian Congo	145
British East Africa, Nyasaland and Italian Somaliland	6,440
British West Africa including Nigeria	2,167
Ceylon	4,250
Cyprus	353
Egypt	18
Free French Africa	317
Iraq	2,118
Mauritius	567
New Zealand	498
North and South Rhodesia	479
Palestine	2,130
Transjordan	105
Persia	1,281
Portuguese East Africa	36
Seychelles	51
Sudan	5,529
Syria and Lebanon	272
Turkey	2,547
Union of South Africa	5,769
Nepal	5,687
British Pacific Islands	128
French Pacific Islands	Nil
Madagascar	1,101
Reunion	16
TOTAL	57,614

BAN ON SALE OF SAREES AND DHOTIES IN BOMBAY

291. THE HONOURABLE MR. NARAYANDAS GIRDHARDAS : Are Government aware of the scarcity of sarees and dhoties in Bombay and other centres ? Do Government propose to direct the Provincial Textile Commissioner and other officers to remove the ban on sale of sarees and dhoties in Bombay and other places, as a great hardship is being caused to civilian population, particularly Hindus who habitually wear sarees and dhoties ?

THE HONOURABLE SIR AKBAR HYDARI : The answer to the first part is Yes. The answer to the second part is : The ban on the sale of sarees and dhoties in Bombay was only temporary pending introduction of controlled sale of supplies to consumers.

THE HONOURABLE SIR SHANTIDAS ASKURAN : Is the Honourable Member aware that the allotment of sarees and dhoties is per each ration card ?

THE HONOURABLE SIR AKBAR HYDARI : As the Honourable Member is aware I have just come back. I must therefore ask for notice.

THE HONOURABLE SIR SHANTIDAS ASKURAN : For the information of the Honourable Member I may draw his attention to the fact that allotment is made to each and every coupon which means that the coupon-holder, whether he be a European, Hindu, Parsi, or a Muhammadan, who does not use it, is entitled to sarees and dhoties. That is the reason why the people who use them get less. I only hope that the Honourable Member when he looks into the matter will see to it that a proper distribution is made.

THE HONOURABLE MR. HOSSAIN IMAM : Is the Honourable Member going to attend the meeting ?

THE HONOURABLE SIR AKBAR HYDARI : Yes, Sir.

MANUFACTURE OF SAREES AND DHOTIES

292. THE HONOURABLE MR. NARAYANDAS GIRDHARDAS : Do Government propose to arrange for the manufacture of sarees and dhoties by all the textile mills on certain proportional basis to meet the requirements of civilian population in this country, particularly of Hindus ?

THE HONOURABLE SIR AKBAR HYDARI : The Honourable Member's attention is invited to the answer given on the 7th March, 1945 to part (b) of question No. 94.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member kindly read the reply mentioned by him if he has got it ?

THE HONOURABLE SIR AKBAR HYDARI : I have got a copy of it.

THE HONOURABLE THE PRESIDENT : We have a lot of business before us today and I would ask the Honourable Member not to prolong this part of our work.

THE HONOURABLE MR. HOSSAIN IMAM : The scarcity of dhoties is a very real trouble to Indians.

THE HONOURABLE SIR AKBAR HYDARI : Do you wish me to read it ?

THE HONOURABLE THE PRESIDENT : Is it a very long one ?

THE HONOURABLE SIR AKBAR HYDARI : Just five lines.

(a) Government is aware that there is a shortage of bordered mill sarees and dhoties.

(b) Necessary directions to mills are being issued to ensure in future production of dhoties and sarees in at least as large quantity as was produced in normal years.

THE HONOURABLE THE PRESIDENT : Are you satisfied now ?

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member take steps to increase the supply if possible ?

THE HONOURABLE SIR AKBAR HYDARI : Wait and see.

DRAFT HINDU CODE

293. THE HONOURABLE KUMAR N. N. SINHA : Will Government state :—

(a) The total number of persons who have been deposed by the Hindu Law Committee, and have been found to be in favour of and against the draft Hindu Code, respectively ?

(b) The number of those who have fully supported it ?

(c) The number of those who have entirely opposed it ? and

(d) the number of those who have accorded their partial support to it in Bombay, U. P., Bihar, Bengal, Madras and the Punjab, respectively ?

THE HONOURABLE MR. SHAVAX A. LAL : (a) to (d). 378 witnesses in all appeared before the Hindu Law Committee who have just concluded their tour. In addition, hundreds of opinions in writing have been, and continue to be, received by the Committee. The work of analysing the evidence written and oral, tendered to the Committee will take time, and it is not therefore possible at this stage to furnish the information asked for by the Honourable Member.

HYDARI MISSION

294. THE HONOURABLE MR. NARAYANDAS GIRDHARDAS : (a) Will Government state whether it is a fact that Hydari Mission negotiated and arranged for an annual import into India of British goods worth £60 millions ?

(b) Will Government lay on the table the list of goods arranged by the Mission to be exported to India by Britain ?

THE HONOURABLE SIR AKBAR HYDARI : (a) If the Honourable Member refers to consumer goods, the answer is in the negative.

(b) The question does not arise.

THE HONOURABLE MR. HOSSAIN IMAM : If the question refers to the total imports what would be the Honourable Member's answer ?

THE HONOURABLE SIR AKBAR HYDARI : The supplementary does not arise.

POST-WAR FOREIGN INDUSTRIAL ENTERPRISE

295. **THE HONOURABLE MR. NARAYANDAS GIRDHARDAS :** Has the attention of Government been drawn to the report published in newspapers that some British firms are contemplating to start factories in India after the war ? Will Government consider the advisability of enacting a suitable legislation to prohibit or restrict indiscriminate starting of factories in India by any foreigners of any nationality ?

REPLY BY THE HONOURABLE SIR AKBAR HYDARI : Yes The whole question of foreign industrial enterprise in India is under the active consideration of Government.

STANDING COMMITTEE FOR DISPOSALS

296. **THE HONOURABLE MR. NARAYANDAS GIRDHARDAS :** Will Government consider the advisability of appointing a Standing Committee of both the Houses of Legislature for the newly created Department of Director-General of Disposals ?

THE HONOURABLE SIR MAHOMED USMAN (On behalf of Supply Department) : There is already a Standing Committee of both the Houses of Legislature attached to the Department of Supply. Supply Department deals with disposals the executive agency for which is the Directorate General of Disposals. The existing Standing Committee will naturally deal with disposals problems also. There is, therefore, no need for a special Standing Committee for disposals alone.

THE HONOURABLE MR. HOSSAIN IMAM : Are Government aware that disposals will in future greatly replace procurement and at the moment no attention is being paid to the disposals ?

THE HONOURABLE SIR MAHOMED USMAN : I am greatly indebted to the Honourable Member for the information.

APPOINTMENT OF CIRCLE RATIONING OFFICERS FROM BACKWARD CLASSES

297. **THE HONOURABLE MR. HOSSAIN IMAM :** Will Government state whether any Circle Rationing Officer at Delhi, Lucknow and Lahore has been appointed from the Hindu backward classes such as Ahirs, Godariyas, Lohars, Barhais, Bhurjees and Kahars, who are 16 to 17 crores in number in India? If not, why not ?

THE HONOURABLE MR. B. R. SEN : *Delhi, Lucknow and Lahore.*—No, Sir. No suitable candidate was available.

THE HONOURABLE MR. V. V. KALIKAR : Did you advertise for the appointments or were they made by the Department itself ?

THE HONOURABLE MR. B. R. SEN : These appointments relate to Provincial Governments and I cannot give you the exact information.

THE HONOURABLE MR. P. N. SAPRU : How do you assert that no suitable candidates were forthcoming ?

THE HONOURABLE MR. B. R. SEN : We asked for a report from the Provincial Governments.

THE HONOURABLE MR. P. N. SAPRU : Then your reply was based on the information supplied by the Provincial Governments ?

THE HONOURABLE MR. B. R. SEN : Yes, Sir.

THE HONOURABLE MR. HOSSAIN IMAM : Will Government give some direction to the Provincial Governments that these people also get some share in these appointments ?

THE HONOURABLE MR. B. R. SEN : I am sure that the Provincial Governments take this into consideration in making their appointments.

NON-USE OF RATION CARDS BY THE BACKWARD CLASSES.

298. **THE HONOURABLE MR. HOSSAIN IMAM :** Is it a fact that thousands of backward and Scheduled caste people in Lucknow and Delhi are not using their ration cards with a view to helping the wounded soldiers and are using coarse grain on the appeal and preaching of Swami Kuljug Anand and Swami Sachutanand ?

THE HONOURABLE MR. B. R. SEN : *Lucknow and Delhi.*—I have no such information.

THE HONOURABLE MR. HOSSAIN IMAM : Have the Government made any enquiries ?

THE HONOURABLE MR. B. R. SEN : We made certain enquiries, and we found that what was alleged was not quite correct.

THE HONOURABLE MR. HOSSAIN IMAM : But what are the exact facts as reported by the Provincial Governments ?

THE HONOURABLE MR. B. R. SEN : So far as the first part of the question is concerned, the Provincial Governments have no such information. As regards the second part also, so far as the Provincial Government are concerned, they have no such information.

APPOINTMENT OF LABOUR WELFARE OFFICER FROM THE BACKWARD CLASSES

299. **THE HONOURABLE MR. HOSSAIN IMAM :** Will Government state whether any Labour Officer, Labour Inspector, Labour Legal Adviser, Labour Welfare Society Officer has been appointed from the suitable candidates belonging to the Hindu backward classes such as Ahirs, Godariyas, Telis, Tambolis, Kahars, Lohars, Barhais and Kumhars, who are hereditary occupational and artisan classes and who are 16 to 17 crores in number in the country ? If not, why not ?

THE HONOURABLE MR. H. C. PRIOR : From information readily available, it appears that no officer from such particular classes has been appointed.

THE HONOURABLE MR. HOSSAIN IMAM : Do not the Government think that there is some need for the representation of those classes ?

THE HONOURABLE MR. H. C. PRIOR : There is one representative, not exactly of those classes, but from the backward classes.

THE HONOURABLE MR. V. V. KALIKAR : Who is the appointing authority in respect of these officers ?

THE HONOURABLE MR. H. C. PRIOR : Various Departments of Government.

SPECIAL FACILITIES FOR CANDIDATES OF THE BACKWARD CLASSES IN THE BEVIN TRAINING SCHEME

300. **THE HONOURABLE MR. HOSSAIN IMAM :** Do Government propose to grant special facilities to the candidates of the backward classes such as Lohars, Barhais, Godariyas, Kumhars and Kolis, who are hereditary occupational and artisan classes in the Bevin Trainees Scheme and such other technical schemes which are being prepared every now and then. If not, why not ?

THE HONOURABLE MR. H. C. PRIOR : Government have already taken special steps to help recruitment of backward classes (scheduled castes, etc.), in the Bevin Training scheme. The National Service Labour Tribunals which make the selections have been directed to follow the orders in force in the different Provinces with regard to communal representation and to see that the various communities and classes are adequately represented. In addition, Tribunals have been asked to associate with them a non-official of influence belonging to the Scheduled Caste and if necessary, a Muslim to guide them in determining the adequate representation of scheduled caste and other backward class candidates.

THE HONOURABLE SIR BUTA SINGH : I hope a Sikh will be appointed on the Committee in the Punjab also, to protect Sikh interests.

THE HONOURABLE MR. H. C. PRIOR : I will certainly consider that.

REPRESENTATION OF THE BACKWARD CLASSES IN THE INDIAN POLICE.

301. **THE HONOURABLE MR. HOSSAIN IMAM :** Will Government state whether there is any Deputy Superintendent of Police or Superintendent of Police appointed from the backward classes. If not, why not ?

THE HONOURABLE MR. C. F. V. WILLIAMS : There is no Superintendent of Police from amongst the backward classes because hitherto no suitable candidates for appointment have been forthcoming.

I am afraid I have no information whether there are Deputy Superintendents of Police from the backward classes as officers of this grade are appointed by Provincial Governments.

THE HONOURABLE MR. P. N. SAPRU : What about the Delhi Province and the other centrally administered areas ?

THE HONOURABLE MR. C. F. V. WILLIAMS : As regards Deputy Superintendents ?

THE HONOURABLE MR. P. N. SAPRU : Yes.

THE HONOURABLE MR. C. F. V. WILLIAMS : I am afraid I must ask for notice of that ; I have no information.

APPEALS ADDRESSED TO GOVERNMENT AGAINST THE ORDERS OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.

302. **THE HONOURABLE MR. HOSSAIN IMAM :** Will Government state :—

(a) Whether it is a fact that appeals and petitions addressed to the Government of India against the orders of the Director General, Posts and Telegraphs, are dealt with in the Office of the Director General ?

(b) Do Government propose to introduce some arrangement under which appeals and petitions addressed to the Government of India against the orders of the Director General, Posts and Telegraphs, may be dealt with in the Posts and Air Department ? If not, why not ?

THE HONOURABLE SIR MAHOMED USMAN : (a) Appeals and petitions addressed to the Government of India against the orders of the Director General of Posts and Telegraphs are first examined and commented upon in the Office of the Director General and are then submitted, with all the relevant papers, to the Government of India for disposal.

(b) No ; because under the existing arrangements, the final disposal is actually made by the Government of India who have before them the full facts and all the relevant papers of the case.

THE HONOURABLE MR. HOSSAIN IMAM : Was this reply prepared in the Directorate General or in the Posts and Air Department ?

THE HONOURABLE SIR MAHOMED USMAN : I take the ultimate responsibility for the reply, because I have to pass it.

THE HONOURABLE MR. HOSSAIN IMAM : Yes. But really it comes from the Directorate General and not from the Posts and Air Department ?

THE HONOURABLE SIR MAHOMED USMAN : That is not relevant to the question at all.

THE HONOURABLE MR. HOSSAIN IMAM : Is it a fact that by means of the procedure adopted virtually the whole programme of appeal is washed out ?

THE HONOURABLE SIR MAHOMED USMAN : I do not think so.

THE HONOURABLE MR. HOSSAIN IMAM : As a matter of fact, is it not the case that some officer who had originally disposed of the application deals with the appeal to the Government as well ?

THE HONOURABLE SIR MAHOMED USMAN : I may just explain what happens. The function of the Office of the Director General is limited to putting up the previous papers, examining the petition or appeal with a view to seeing whether the facts stated are correct, and commenting upon such points in the petition or appeal as require comments. The final orders in each case are passed by Government themselves invariably.

THE HONOURABLE MR. HOSSAIN IMAM : Does this method prevail in other Departments of Government as well, or only in the Posts and Air Department ?

THE HONOURABLE SIR MAHOMED USMAN : I do not know what happens in other Departments. I shall enquire.

PROMOTION OF ASSISTANTS AND SUPERINTENDENTS IN THE POSTS AND TELEGRAPHS DIRECTORATE.

303. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state :—

(a) Whether there are any opportunities open to the Assistants and Superintendents of the Office of the Director General, Posts and Telegraphs, for promotion to the gazetted posts in the Directorate or in the Department? If so, what are those opportunities?

(b) Is it a fact that till several years ago Assistants and Superintendents of the Office of the Director General, Posts and Telegraphs, were considered eligible for promotion to gazetted posts both in the Directorate and in the Department? If so, under what circumstances these avenues of promotion have since been closed for these officials?

(c) Do Government propose to adopt any measures to redress the grievances of the Assistants and Superintendents of the Posts and Telegraphs Directorate in this respect? If not, why not?

THE HONOURABLE SIR MAHOMED USMAN : (a) Superintendents of the Directorate (including the Chief Superintendent) are eligible for appointment to the tenure posts of Assistant Deputy Directors General in Class I in the Directorate. Assistants have no direct avenues of promotion to the gazetted grades.

(b) Yes. Besides promotion to the posts of Assistant Deputy Directors General for which Superintendents in the Directorate were eligible, Assistants of the Directorate and other officials such as clerks were if selected eligible for the posts of Superintendents of Post Offices and R. M. S. along with clerks of Post Offices and R. M. S. and of Circle Offices but this avenue of promotion was closed in 1937 when it was decided to confine selection of officials for posts of Superintendents of Post Offices and R. M. S. to officials in the grade of Inspectors of Post Offices and R. M. S. who were considered to be the most suitable for such promotion in view of their technical knowledge and experience.

(c) No, Sir, as there is really no grievance.

THE HONOURABLE MR. HOSSAIN IMAM : I was not able to follow quite clearly the portion of the answer regarding the appointment of A. D. D. G. Is it a regular channel, or is it only occasionally that appointments are made from among Superintendents of the Director General's Office?

THE HONOURABLE SIR MAHOMED USMAN : Occasionally, because there are others also to be considered.

THE HONOURABLE MR. HOSSAIN IMAM : Has the Government considered reserving some of the appointments for the Directorate Superintendents?

THE HONOURABLE SIR MAHOMED USMAN : We do not make any special reservation. If there is any officer who is outstanding, certainly he will be considered for appointment.

THE HONOURABLE MR. HOSSAIN IMAM : Is it a selection post, and not a promotion post?

THE HONOURABLE SIR MAHOMED USMAN : It is a selection post.

NUMBER OF SUPERINTENDENTS IN THE POSTS AND TELEGRAPHS DIRECTORATE.

304. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state :—

(a) The total strength of Superintendents, excluding Accountant-Superintendents in the Office of the Director General of Posts and Telegraphs and the percentage of Muslims in that cadre on 1st March, 1945? Is the percentage of Muslims upto the required proportion? If not, do Government propose to adopt any measures to improve the position of Muslims in this cadre? If not, why not?

(b) What is the criterion of selection for promotion to temporary and officiating vacancies in the cadre of Superintendents?

THE HONOURABLE SIR MAHOMED USMAN : (a) The total sanctioned strength of Superintendents, excluding the Accountant-Superintendents, in the Posts and Telegraphs Directorate on the 1st March, 1945 was eighteen of whom three

were Muslims. The rules regarding proportional reservation on communal grounds do not apply to posts filled by promotion, consequently, the remaining parts of the question do not arise.

(b) Merit is the primary criterion and seniority is taken into consideration only when all other qualifications are practically equal.

THE HONOURABLE MR. HOSSAIN IMAM : Does seniority get special preference ?

THE HONOURABLE SIR MAHOMED USMAN : As I said, merit is the primary criterion.

RETENTION IN SERVICE AFTER SUPERANNUATION OF ASSISTANTS IN THE POSTS AND TELEGRAPHS DIRECTORATE.

305. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state :—

(a) Whether there are any Assistants in the Office of the Director General, Posts and Telegraphs, who have been retained in service for several years after their age of superannuation ? If so, will Government state the date of superannuation in each case ?

(b) Is it a fact that there are a number of second division clerks in the Posts and Telegraphs Directorate who are looking forward for promotion to the Assistants' grade ?

THE HONOURABLE SIR MAHOMED USMAN : (a) The ordinary age of superannuation for ministerial servants who entered permanent Government service before the 1st April, 1938 is sixty years and although Government may retire such officials after they complete the age of 55, they should ordinarily be retained in service if they continue to be efficient up to the age of 60 years. No Assistant in the Office of the Director General of Posts and Telegraphs has reached the age of 60, but two Assistants have been retained in service after the age of 55.

(b) Yes. It cannot be otherwise so long as the Second Division Clerical Cadre exists and incumbents of posts in that cadre have the right of promotion to the Assistants' cadre. I would, however, add for the information of the Honourable Member that all permanent second division clerks who are eligible for promotion have already been promoted in temporary and officiating vacancies of Assistants grade.

CREATION OF A SPECIAL (FRENCH KNOWING) POST IN THE POSTS AND TELEGRAPHS DIRECTORATE.

306. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state :—

(a) Whether it is a fact that a post has especially been created in the clerical cadre of the Posts and Telegraphs Directorate for a French-knowing official ?

(b) If so, is the incumbent of this post employed merely on translation work or does he also deal with any heading of case work ?

THE HONOURABLE SIR MAHOMED USMAN : (a) No, Sir. All that has been done is that, in 1938, the Home Department agreed to the exclusion of one post of second grade clerk in the ordinary cadre of the Director General's office from the rules relating to recruitment on a communal basis in order to enable the Director General to employ a French-knowing candidate.

(b) The incumbent of the post is employed on translation as well as dealing work.

EMPLOYMENT OF EUROPEANS EVACUATED FROM BURMA IN MINES

307. THE HONOURABLE MR. NARAYANDAS GIRDHARDAS : (a) Will Government state whether it is a fact that a few European mine-owners of Burma who were compelled to abandon their mines in Burma when it was occupied by Japan in 1942 and came over to India were given financial assistance by Government and asked to work certain mines in British India or some Indian States? If so, will they lay on the table a list containing the names of such evacuees, the amount of financial assistance given or promised and the names and full description of the mines which were given to those evacuees for working with Government finance and the terms on which such assistance was given or promised ?

(b) How many evacuees are working mines successfully at present ?

THE HONOURABLE MR. H. C. PRIOR : (a) and (b). No. Some European evacuees from Burma were employed in the Utilization Branch of the Geological Survey of India. They were employed as Government servants and received salaries as such. The mining operations they were employed on were Government operations.

MR. C. P. COWEN, OFFICER-IN-CHARGE, LEAD-ZINC OPERATIONS AT ZAWAB, MEWAR STATE

308. THE HONOURABLE MR. NARAYANDAS GIRDHARDAS : (a) Is it a fact that a European miner evacuated from Burma was given financial aid by Government to work lead and zinc mines of Jawar Mata in Udaipur State, Rajputana? If so, will they state the amount of financial assistance given by them and the results so far achieved by the evacuee?

(b) Will they also state whether they have given such financial assistance to any Indian evacuee from Burma who had lost his business or trade in Burma either mining or other line of business?

THE HONOURABLE MR. H. C. PRIOR : (a) and (b). No. Mr. C. P. Cowen, the late General Manager of the Mawchi Mines, Burma, was employed in the Utilisation Branch of the Geological Survey of India as Officer In-charge of the Lead-Zinc operations at Zawar, Mewar State. Mr. Cowen was employed as a Government servant on operations conducted departmentally by the Geological Survey of India. He is no longer in the Central Government service.

REPRESENTATION OF THE BACKWARD CLASSES ON THE PROVINCIAL NATIONAL LABOUR SERVICE TRIBUNALS

309. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state whether the Hindu backward classes have any representative on the Provincial National Labour Service Tribunals. If not, why not?

THE HONOURABLE MR. H. C. PRIOR : The Government of India are not aware if there are members of the Hindu backward classes on the National Service Labour Tribunals. Representation on the Tribunals on a communal basis is neither necessary nor practicable.

OMISSION OF NAMES IN THE ELECTORAL ROLLS OF BOMBAY

310. THE HONOURABLE MR. G. S. MOTILAL : (a) Has the attention of Government been drawn to the news from Bombay, dated the 16th March, 1945, published in the *Hindustan Times* of the 17th *idem* under the heading "Central Assembly Voters' List" and the sub-heading 'Several Thousands of Names Omitted'?

(b) If so, are the statements (i) that only two copies of the registered list of voters are available to the public to see whether their names are included or not and (ii) that the time allowed for preferring claims for inclusion of their names by those who are eligible to be classed as voters but whose names are not there is only 10 days, correct?

(c) If the answer to (b) is in the affirmative, will Government arrange to supply more copies for inspection by the public and also extend the time within which the claims should be preferred?

(d) Is the published list the Preliminary Roll or the First Publication of the roll?

THE HONOURABLE MR. SHAVAX A. LAL : (a) Yes.

(b) (i). The statement is not correct. In accordance with regulation 2 in Part II of the Legislative Assembly (Bombay) Electoral Regulations publication was effected at the headquarters office of the Returning Officer where seven copies were available and at the headquarters office of the Municipality where one copy was available.

(b) (ii). Publication under regulation 2 was effected on the 12th March and under sub-regulation (3) of regulation 3 claims and objections were required to reach the office of the Judge on or before the tenth day from the date of publication excluding the day of publication. I would add that publication under regulation 2 was preceded by a preliminary publication under regulation 7 on the 8th January when 15 days were allowed for the submission of applications for enrolment.

(c) Does not arise.

(d) First Publication under regulation 2 of Part II.

NUMBER OF VOTERS IN BOMBAY AT THE GENERAL ELECTION OF 1934.

311. THE HONOURABLE MR. G. S. MOTILAL : Will Government state what was the number of voters for the Central Assembly in the City of Bombay at the time of the last general Election in 1934 ?

THE HONOURABLE MR. SHAVAX A. LAL : Non-Muhammeadan constituency (comprising two seats), 45,213.

Muhammadan constituency (one seat), 6,551.

Bombay European constituency (two seats), 9,769, for the whole of Bombay and Sind.

THE HONOURABLE MR. G. S. MOTILAL : What was the number on the rolls in the first publication of the list ?

THE HONOURABLE MR. SHAVAX A. LAL : I have no information.

MR. SARAT CHANDRA BOSE

312. THE HONOURABLE MR. S. K. ROY CHOWDHURY : (a) Will Government state where Mr. Sarat Chandra Bose is detained and what is the present condition of his health ?

(b) Will Government consider the desirability of transferring him to his own Province ? Has any representation been made by the Government of Bengal to that effect ?

THE HONOURABLE MR. C. F. V. WILLIAMS : (a) Mr. Sarat Chandra Bose is detained at Coonoor, and his health is satisfactory.

(b) The answer to both parts is "No".

THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY : Is Mr. Sarat Chandra Bose running an evening temperature daily ?

THE HONOURABLE MR. C. F. V. WILLIAMS : No, Sir, not so far as Government are aware.

THE HONOURABLE MR. G. S. MOTILAL : Will Government make inquiries about it ? They are not aware of his having an evening temperature. Will they make inquiries about it ?

THE HONOURABLE MR. C. F. V. WILLIAMS : What I meant, Sir, is that if there was anything wrong with Mr. Bose's health or if he were running a temperature, the Government of India would be informed immediately but no such report has come.

THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY : Has there been any decrease in his weight ? Have Government any information about it ?

THE HONOURABLE MR. C. F. V. WILLIAMS : I must ask for notice.

THE HONOURABLE MR. THIRUMALA ROW : What is the date of the latest medical report about his health ? Have Government inquired about his health after notice of this question was given ?

THE HONOURABLE MR. C. F. V. WILLIAMS : I must ask for notice of that particular question.

THE HONOURABLE MR. THIRUMALA ROW : That means you have not made any inquiries.

NUMBER OF BROADCAST RECEIVER LICENCES ISSUED

313. THE HONOURABLE MR. G. S. MOTILAL : Will Government lay on the table a statement of the number of licensees of radio receiving sets in each Province during the last three years ?

THE HONOURABLE SIR MAHOMED USMAN : A statement showing the number of broadcast receiver licenses in the various Posts and Telegraphs Circles for the three years 1942 to 1944 is laid on the table of the House. The number of licensees is approximately the same as the number of licenses. Figures according to Provinces are not available.

THE HONOURABLE MR. G. S. MOTILAL : What is the total number of these licensees ?

THE HONOURABLE SIR MAHOMED USMAN : The information is given in the statement which is placed on the table of the House.

Number of wireless receiver licenses (Broadcast receiver and Commercial Broadcast Receiver) issued (including renewed) in the various Posts and Telegraphs Circles during the years 1942-44.

Postal Circle	1942	1943	1944
Bengal and Assam	29,483	30,953	35,623
Bihar and Orissa	6,328	6,332	6,573
Bombay	39,708	43,138	46,294
Central	6,537	6,966	7,535
Madras	24,553	26,934	29,508
Punjab & N. W. F.	37,798	39,797	44,923
Sind and Baluchistan	8,570	9,018	10,031
United Provinces	18,684	18,587	19,995

LOSS OF AIR-BORNE MAILS

314. THE HONOURABLE MR. J. M. B. GIBBONS : (a) Will Government state whether there has been any loss of air-borne mails between India and U. K. since 1st January, 1945 ?

(b) If so, what are the dates of the mails affected ?

(c) Do Government propose to announce in future all losses of air-borne mails within as short a period as possible after the occurrence ?

THE HONOURABLE SIR MAHOMED USMAN : (a) No loss of air mails despatched since 1st January and up to the middle of March has occurred. Reports regarding safe arrival of subsequent mails are awaited.

(b) Does not arise.

(c) Yes, as soon as security considerations permit.

AIR-MAIL LETTERS

315. THE HONOURABLE MR. J. M. B. GIBBONS : Will Government state :—

(a) Whether it is a fact that air mail letters from U. K. to India, other than air-graphs or air letters, travel a large part of the way by sea ?

(b) The average time taken by such air mail letters in transit to India ?

THE HONOURABLE SIR MAHOMED USMAN : (a) Yes.

(b) About thirty days.

SHORT NOTICE QUESTION AND ANSWER

INOCULATION OF PILGRIMS PROCEEDING TO THE KUMBH MELA

316. **THE HONOURABLE MR. G. S. MOTILAL:** Will Government state whether—
(a) It is a fact that compulsory inoculation with anti-cholera vaccine of pilgrims to Hardwar Kumbh mela is carried out by military staff ?

(b) They are aware that persons inoculated do not get certificates of inoculation and that in consequence persons are compulsorily inoculated more than once ?

(c) Any serious illness and even death has occurred to some persons by reason of inoculation ; and if so, what is the number of such cases ?

(d) Billivaccine pills administered through mouth do act as effectively as an anti-cholera measure as inoculation ?

(e) The administration of these pills as an alternative has been introduced ?

THE HONOURABLE SIR JOGENDRA SINGH : (a) It is reported that military staff is not being used for the inoculation of pilgrims.

(b) No. It is understood that medical officers are required to give certificates.

(c) No such case has been reported.

(d) The administration of billivaccine pills is not a practicable measure for the prevention of cholera among pilgrims. The pills have to be taken for three consecutive days on an empty stomach. It is impossible to ensure that this course of treatment is carried out by pilgrims attending a fair.

(e) No. I would add that the matter is the concern of the Provincial Governments.

THE HONOURABLE MR. G. S. MOTILAL : With regard to part (a) of my question, I have seen the military personnel there. I have recently visited the place and I found that the military personnel are doing this.

THE HONOURABLE SIR JOGENDRA SINGH : My information is that they are not.

THE HONOURABLE MR. HOSSAIN IMAM : Perhaps the Honourable Member's information is the latest one.

THE HONOURABLE SIR JOGENDRA SINGH : It is the latest one.

NOTICES OF MOTIONS FOR ADJOURNMENT

(1) FUTURE RECRUITMENT AND TERMS OF SERVICE OF THE CIVIL SERVICES AND

(2) PROVISION OF ADDITIONAL TRAINS IN CONNECTION WITH THE KUMBH MELA

THE HONOURABLE THE PRESIDENT : Honourable Members, I have received this morning two notices of Adjournment Motions. I will read to you the first Motion and dispose of it. This is from the Honourable Mr. Sapru :—

“ I beg to give notice that I shall move that the House do adjourn for a matter of urgent public importance, namely, the failure of the Government of India to represent to His Majesty's Government that it would be improper for the Home Member and the Home Secretary to discuss the question of the future recruitment and terms of service of the Secretary of State's Services without prior consultation with the Central Legislature ”.

Honourable Mr. Sapru, this is not the concern of the Governor General in Council. As you know, recruitment to the Civil Services in India is done by the Secretary of State for India, and the Secretary of State is also entitled to call any servant of his home, including the Governor General, to discuss matters. How would your Motion be in order ?

***THE HONOURABLE MR. P. N. SAPRU** (United Provinces Southern : Non-Muhammadian) : I do not question the right of the Secretary of State to call any servant of his—and I am glad that you have used the word “ servant ” because we know that the Government of India is the servant of the Secretary of State—

THE HONOURABLE THE PRESIDENT : That is another matter. Please stick to your Motion.

*Not corrected by the Honourable Member.

THE HONOURABLE MR. P. N. SAPRU : There is the presidential authority for the proposition that the Government of India is a subordinate branch of His Majesty's Government. I am very glad to have been able to achieve that much so far as this Adjournment Motion is concerned. What I question is the impropriety of the Government of India not lodging a protest against the Secretary of State's decision to have consultation with the Home Member without any reference to the Legislature. After all, Sir, the question of the Services vitally affects the future constitutional issue and what we feel is that by this procedure the future constitution of this country may be prejudiced. Mortgages may be created so far as the future is concerned which will affect the revenues of this country. An attempt may be made to strengthen the British element in the Services and we may have, when we want to have control over our own Services, to pay a heavy compensation to imposed British personnel. Therefore, it was a vital matter that before any conference was held by the Secretary of State with the Home Member the Legislature should have been consulted.

THE HONOURABLE THE PRESIDENT : The Legislature has no *locus standi* at all.

THE HONOURABLE MR. P. N. SAPRU : I know that the Legislature has no *locus standi* in any matter, because we only function as an advisory Legislature and you have also incidentally made that position perfectly clear today. But what I was saying was that since we have this farce of a Legislature, a further farce of consultation with the Legislature might have been gone through.

THE HONOURABLE THE PRESIDENT : I hold that your Motion is not in order and I cannot allow it.

Honourable Members, the second notice of Motion for Adjournment runs thus :—

" I shall move that the House do adjourn to discuss a matter of urgent public importance namely the failure of the railway authorities to provide additional trains and accommodation particularly for third class passengers, for passengers going to and coming back from Hardwar, in connection with the *Ardh Kumbh Mela* falling on the 13th of this month. P. N. Sapru "

How is the subject-matter of this Motion of urgent public importance ?

***THE HONOURABLE MR. P. N. SAPRU :** *Ardh Kumbh Mela* is one of the biggest religious festivals of Hindu India and hundreds of thousands of people go to Hardwar to have a bath in the Ganges and certainly by refusing to give railway facilities to people who are anxious to have a bath, Government is depriving them of the performance of certain ceremonies which are considered essential for purification by the Hindus—I do not say rightly or wrongly—but it is interfering with their religious liberties. Consider, Sir, the case of a man or a woman of 70 or 75 years old. If she is denied the opportunity of going to Hardwar, the opportunity of having a bath at *Ardh Kumbh Mela* may never occur again in her life-time—

THE HONOURABLE THE PRESIDENT : That is not relevant at all. What you say may be perfectly true. But will you tell me how is it a matter of urgent public importance ?

THE HONOURABLE MR. P. N. SAPRU : On the 13th the *Mela* starts.

THE HONOURABLE THE PRESIDENT : You knew it was coming. What prevented you from giving notice of a Resolution ?

THE HONOURABLE MR. P. N. SAPRU : We did not know that these restrictions would be imposed. Today is the 6th and there is yet a week and if the decision is reversed, orders can be issued for the running of special trains for third class passengers. The Council was not sitting till the 6th.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : I want to state, Sir, that we came to know of these restrictions when the Council was not sitting.

THE HONOURABLE THE PRESIDENT : You always know that some sort of restrictions are imposed for the good of the people themselves. I do not consider this as urgent.

* Not corrected by the Honourable Member.

THE HONOURABLE MR. V. V. KALIKAR : Whether it is for the good of the people or it is owing to want of locomotives that Government have passed these Orders is a different question. We came to know about these restrictions when the Council was not sitting. The Council is sitting today and so my friend has brought the Adjournment Motion. You know, Sir, that Hindus have to go there for pilgrimage and they go in very large numbers. It is restricting their religious rights.

THE HONOURABLE MR. G. S. MOTILAL (Bombay : Non-Muhammadan) : May I make one suggestion, Sir ? It has been the usual practice of Government to provide additional facilities for these occasions.

THE HONOURABLE THE PRESIDENT : It is all right. How does it warrant a Motion of censure on Government ?

THE HONOURABLE MR. G. S. MOTILAL : Because they have not done what has been the usual practice this is a question which requires discussion in the House. Government may be able to satisfy us that they do not deserve censure, but until they are able to satisfy us, this Motion should be admitted, because it is a matter of urgent public importance and it is possible that after discussion Government may persuade themselves to run some more trains, particularly for third class passengers. I came only two days back from Hardwar and I found that third class passengers have been put to very great trouble. The U. P. Government have spent about Rs. 4 or Rs. 5 lakhs in making very good arrangements for the visitors and if train facilities are not provided this will be a loss and people will not be able to take advantage of it. Government may explain why they are not in a position to run a few more trains.

***THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN (United Provinces West : Muhammadan) :** May I say one word, Sir ? Restrictions on these occasions are *prima facie* censure-deserving things and therefore when on an occasion like this which will not come for another 12 years complete restriction is imposed by the railways, the matter deserves censure until the Railway Department justifies its action. Therefore, this is a matter which could not be but a matter of urgent public importance, because the Mela is coming within a few days and if this is not discussed and if Government is not censured or they do not promise to provide facilities, the public would suffer very great inconvenience from the Government interference in religious rites.

THE HONOURABLE SIR MAHOMED USMAN* (Leader of the House) : Sir, speaking from memory, I think these pilgrimages were stopped in 1942 for the transit of food, coal and cloth to the people.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : Government modified that order and they may modify it today.

THE HONOURABLE SIR MAHOMED USMAN : You ought to have moved it three years ago, and not now.

THE HONOURABLE MR. V. V. KALIKAR : There is a change in circumstances today. The Hajis were allowed to go on their pilgrimage.

THE HONOURABLE SIR MAHOMED USMAN : There has not been much change in the position.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : Let it be discussed.

***THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) :** The Railway Department is quite competent to take care of itself. The situation has changed materially as is evidenced by the fact that our Honourable friend Sir Akbar Hydari had gone to England and has brought some concessions from the U. K. All these will relieve the congestion on the railways and they could easily do something.

THE HONOURABLE THE PRESIDENT : This matter having been brought today to the notice of the Railway Department I hope they will take some action. I hold that this Motion is not in order and it is not a matter of urgency at all.

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE

SECRETARY OF THE COUNCIL : Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the following Bills which were passed by the Legislative Assembly at its meetings held on the 2nd and 3rd April, 1945, namely :—

A Bill further to amend the Factories Act, 1934.

[Secretary of the Council]

A Bill further to amend the Indian Companies Act, 1913.

A Bill to amend the Indian Merchandise Marks (Amendment) Act, 1941.

A Bill further to amend the Indian Patents and Designs Act, 1911.

A Bill to repeal certain enactments and to amend certain other enactments.

A Bill further to amend the Indian Army Act, 1911.

A Bill further to amend the Indian Air Force Act, 1932.

INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE

THE HONOURABLE MR. SHAVAX A. LAL : Sir, I lay on the table a statement showing the information promised in reply to part (c) of the Honourable Mr. G. S. Motilal's question No. 70 asked on the 7th March, 1945.

Statement showing the number of electors entered on the electoral rolls for the undermentioned constituencies of the Council of State for which fresh rolls were recently prepared.

Madras Non-Muhammadan	4,909
Madras Muhammadan	449
East Bengal Non-Muhammadan	795
Bombay Chamber of Commerce	93

RESOLUTION *RE* RELIGIOUS ENDOWMENTS

*THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY (West Bengal. Non-Muhammadan) : Sir, I move that :—

‘ This Council recommends to the Governor General in Council to take necessary steps for the transfer by Parliament of Entry 34 relating to “ charity and charitable institutions ; charitable and religious endowments ” from the Provincial Legislative List in the Seventh Schedule to the Government of India Act, 1935, to the Concurrent Legislative List.’

I hope, Sir, you will excuse me if I narrate very briefly the reasons for my moving this Resolution. I introduced a Bill called the Shebaity Bill in the Simla session of the Council of State in 1937. That Bill was intended for the proper control and management of religious as well as charitable endowments and trusts. In the next Simla session when I moved for the circulation of the Bill for eliciting public opinion the Government opposed it on the ground that the Bill was *ultra vires* of the Central Legislature inasmuch as the subject matter of the Bill falls within the expression “ charity and charitable institutions ; charitable and religious endowments ” which is Item 34 in List II of Schedule VII of the Government of India Act. I contended, Sir that my Bill was quite *intra vires* under section 100, sub-section (4), which says :—

“ The Federal Legislature has power to make laws with respect to matters enumerated in the Provincial Legislative List except for a Province or any part thereof ”.

At that session, Sir, you suggested to me to bring forward my Motion for Circulation of the said Shebaity Bill at the next Budget session in Delhi in 1939 when you would give your ruling. On the 20th February, 1939, Sir, you gave your very important ruling that you would not like to kill a Bill by declaring it *ultra vires* from the Chair and in your opinion the Chair should not arrogate to itself the function of adjudicating upon questions of constitutional law and thus permanently bar the jurisdiction of the Federal Court. You abstained, Sir, from giving any ruling whether the Bill was *ultra vires* of the Constitution or not and left it to the decision of the members of the House.

THE HONOURABLE THE PRESIDENT : That was not the question before me at that time.

THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY : Whether it was *ultra vires* or not you did not like to give your ruling and you left it to the members of the House.

THE HONOURABLE THE PRESIDENT : I never like to give my opinions on legal questions.

THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY : By your order, Sir, the Motion for the Circulation of the Bill was placed on the agenda for the next non-official day on which date I moved again for the circulation of the Bill and it was opposed by the Government on the same ground and I had to withdraw my Bill. Now, Sir, we want to be on safe grounds, that is why I am moving this Resolution.

*Not corrected by the Honourable Member.

THE HONOURABLE THE PRESIDENT : Why did you wait for so many years since 1937 ?

THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY : 1939. There are reasons for it, Sir. We were not attending the Legislature for about three years. You know that, Sir.

THE HONOURABLE THE PRESIDENT : That is very important.

THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY : There are many charitable institutions and religious endowments, specially of the Hindus, which are of all-India importance. Every Hindu—and it does not matter what Province he comes from,—is interested in the proper management of the said institutions or endowment. Then again, Sir, there are certain religious and charitable institutions and endowments, the scope of which is not limited to one particular Province alone. I know, Sir, in certain cases endowments have been created by Hindus where deities have been installed and properties endowed in different Provinces. These charitable institutions and religious endowments cannot by any means be called of a provincial nature. Besides, Sir, "Trusts and trustees" is Item No. 9 in List III of Schedule VII of the Government of India Act, that is the Concurrent Legislative List, and sometimes you know, Sir, it is very difficult to distinguish between a trust and a charitable or religious endowment. I am not at all suggesting, Sir, that the right of legislating on charities, charitable institutions, charitable and religious endowments should be taken away from the Provinces. All that I am asking is that it should be placed on the Concurrent Legislative List.

With these words, Sir, I move my Resolution.

THE HONOURABLE MR. G. S. MOTILAL (Bombay : Non-Muhammadian) : Sir, I rise to support this Resolution. This Resolution purports to make a recommendation to the Government of India and if this Resolution goes through the House it will go before the Government as a recommendation as to what is sought to be done. The Resolution suggests that Entry 34 in the Provincial List be transferred to the Concurrent List. At present the Central Government is unable to legislate for charities and charitable institutions and charitable and religious endowments. If the Council will remember I had also moved a Bill in 1938 and that Bill was related to the general policy with regard to these general trusts, not private but public trusts and charities. Then the same objection was taken and I think the objection was rightly taken by Government and I was instrumental and responsible for advising my friend at that time to withdraw that Bill. Now, if this state of affairs continues the result is that on the questions of general policy—and there are certain important principles of public trust—central legislation would be very suitable. If such an amendment is not made the Central Legislature is deprived of that power. The High Courts in India have in several cases felt the need of a Public Trust Act.

12 Noon. The present Trust Act applies only to private property and there is no Trust Act, such as was enacted in the British Parliament a few years ago, which deals with public trusts. Now, if the Central Government wanted to have a Public Trusts Act, they would not be in a position to introduce such a measure. For these reasons, I support this Resolution.

THE HONOURABLE SIR MAHOMED USMAN (Leader of the House) : Sir, after the speech of my Honourable friend Mr. Motilal, I think I can intervene in the debate.

Under the Government of India Act of 1919, the subject of religious and charitable endowments was a provincial and transferred subject. The Division of Functions Committee, which considered the classification of this subject with some care, remarked that the question of religious and charitable endowments had been under more or less constant discussion since the Religious Endowments Act of 1863 was passed. The Committee considered that in the circumstances of India the desire for effective supervision of endowments had been checked by fear of affecting religious rites and usages. It was therefore decided to include these matters in the list of provincial subjects, thus leaving it to the Provincial Legislatures to seek a solution of the difficulties that surround the question.

The Provinces have in fact dealt with charitable and religious endowments on divergent lines. For example, both the Governments of Bombay and the Central

[Sir Mahomed Usman.]

Provinces exempted the Daudi Borahs from the operation of the Mussalman Wakf Act, 1923. The exemption was subsequently withdrawn by the Government of Bombay and retained by the Government of the Central Provinces, with the result that endowments of this sect are subject to one law in one Province and another law in another Province.

Before the Act of 1935 was passed, the Joint Select Committee carefully considered the question and decided that the subject should be included in the Provincial Legislative List. As far as the future constitution is concerned, the manner in which this should be dealt with is entirely for Indian opinion to settle. But for the present, considering the previous treatment of the subject, and in view of the fact that the proposal contained in the Resolution would be a material encroachment on the powers of the Provinces, Government must oppose the suggestion to take this subject away from the Provincial Legislative List.

THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY : Sir, I do not suggest that the subject should be taken away from the Provincial Legislative List. What I suggest is that it should be placed in the Concurrent Legislative List.

THE HONOURABLE SIR MAHOMED USMAN : How can you do that unless you take it away from the Provincial List ?

THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY : The Concurrent Legislative List gives power both to the Provinces and to the Centre to legislate in respect of the subjects included in that list.

THE HONOURABLE MR. SHAVAX A. LAL (Nominated Official) : But it must be taken out of the Provincial List first.

THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY : Yes. If it is included in the Concurrent List, the Provinces also can legislate on the subject.

THE HONOURABLE MR. SHAVAX A. LAL : But it must go out of the Provincial List first.

THE HONOURABLE THE PRESIDENT : And you do not know what the Provinces will have to say on the matter.

THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY : If the Government would assure us that they will consult Provinces, I would be willing to withdraw the Resolution.

THE HONOURABLE SIR MAHOMED USMAN : There is no point in giving any assurance at this time when the whole question of the Indian constitution is being considered.

THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY : In the circumstances, I beg leave to withdraw my Resolution.

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

RESOLUTION *RE* INDIA'S STERLING BALANCES

THE HONOURABLE THE PRESIDENT : The Honourable Mr. Hossain Imam. (*The Honourable Mr. Hossain Imam not being present in the House*)—

THE HONOURABLE MR. NARAYANDAS GIRDHARDAS (Madras : Non-Muhammadan) : I am not moving, Sir.

THE HONOURABLE THE PRESIDENT : The Honourable Mr. Sapru. (*The Honourable Mr. Sapru not being present in the House*)—

THE HONOURABLE MR. V. V. KALIKAR : He is in the lobby, Sir. I will go and call him.

THE HONOURABLE THE PRESIDENT : Honourable Members ought to be present in the House. It is their duty to be here when their Resolutions are called out. If they are not in their seats, I cannot help it. Under the Standing Orders, when a member who has given notice of a Resolution is not present when it is reached, the Resolution must be deemed to have been withdrawn. (*At this stage, the Honourable Mr. Hossain Imam and the Honourable Mr. Sapru entered the House.*)

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : We are very sorry, Sir. The fact is that we never thought that the Resolution moved by my Honourable friend Mr. Roy Chowdhury would fizzle out.

THE HONOURABLE THE PRESIDENT : It is the duty of Honourable Members to be present in the House and not to be hanging about in the lobby.

THE HONOURABLE MR. HOSSAIN IMAM : We were in the lobby. As soon as we heard that the Resolution had been withdrawn, we came.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, the Resolution of which my Honourable friend Mr. Hossain Imam has given notice is also of a very important nature. He and I were in the lobby, and we thought that the previous Resolution would take some time. We had no intention of taking part in the debate on that Resolution—

THE HONOURABLE THE PRESIDENT : I must go according to the Standing Orders. Of late I have found that Honourable Members are very fond of leaving their seats here and of loitering about in the lobby.

THE HONOURABLE MR. P. N. SAPRU : An apology is due to you from us. On behalf of our Group I sincerely apologise for this discourtesy.

THE HONOURABLE THE PRESIDENT : I will allow the Honourable Member to move his Resolution. I hope, however, that this will not be quoted as a precedent.

THE HONOURABLE SIR MAHOMED USMAN (Leader of the House) : What about the Honourable Mr. Hossain Imam ?

THE HONOURABLE MR. HOSSAIN IMAM : I have apologised. I started with an apology.

THE HONOURABLE THE PRESIDENT : I warn Honourable Members that they must always be present, because one cannot anticipate when the next Resolution will come up.

THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, I rise to move :—

“ This Council recommends to the Governor General in Council to send a deputation consisting of officials and representative non-officials to negotiate with His Majesty's Government for the liquidation of India's sterling balances in the post-war period. ”

I wish to add one word before “ liquidation ”—to read “ for the ordered liquidation of India's sterling balances ”, if you do not mind.

THE HONOURABLE THE PRESIDENT : Instead of “ ordered ”, I would suggest “ regulated ”; that would be better.

THE HONOURABLE MR. HOSSAIN IMAM : Yes. Thank you.

Mr. President, the subject-matter of this Resolution is not a new one. Off and on, on many occasions, we have discussed this subject of a regulated liquidation of sterling balances. I may state that when we started talking about this subject it had not assumed anything like the magnitude which it has now assumed. The first accumulations were being taken care of by the fact that we had a lot of sterling debt. Naturally the first charge on the sterling balances was the wiping out of our sterling debt. After that had been wiped out and our other contingent liabilities like the annuities had also been tackled, if the stream still did not dry up, then we on our part were anxious to do either of two things : avoid this accumulation if possible, or, if the accumulation did take place, ask for a regulated liquidation in a manner which would be in the best interests of India and Great Britain.

The subject bristles with complications. No one can deny the fact that the accumulation is the result of depriving Indians of many of their own requirements. The balances have not been easily accumulated. We have had to undergo hardships. We have had to face a lot of difficulties and troubles. Not only that, but we have gone out of our way to incur a lot of capital expenditure on goods which would not be worth anything like the price which we have paid. For instance, in our armaments production, and in aided production by private industrialists, where we have given up to 80 per cent. of capital, the losses which will inevitably occur are not included in the charges or represented by assets in the form of sterling. Nobody should run away with the idea that India has been gaining all along the line. His Majesty's Government have been compelled to take up a burden for which they have not only received sufficient *quid pro quo* but more than sufficient. If a balance is struck, it will be found that India has more than hardship to her account and difficulties and losses than His Majesty's Government. First of all, I should like to clear up the idea of this House and of the country as to what this sterling assets does not represent. Then I shall say what it does represent.

The sterling assets, Sir, do not represent any payment by His Majesty's Government for the defence of India. His Majesty's Government, with all its generousities

[Mr. Hossain Imam,]

and gifts which it has made pursuant to the recommendation of the Chatfield Committee's Report—equipments of aeroplanes, mechanisation and all the rest—has not paid a single shell out of the cost of defence of India as such. So, the sterling assets do not represent any payment by His Majesty's Government for the defence of India. They also do not include any item of the reverse lend-lease which India is making available to the Americans. Here too, Sir, I referred to the point in my speech on the Finance Bill and I will not dilate upon it here. There are three recipients of the lend-lease benefits but only India is the party which pays for all the cost of reverse lend-lease. We have not entered into a reciprocal aid convention in spite of the fact that the Committee of expert economists which the Government appointed to examine this question in November, 1943, reported that there will be no harm in entering into that agreement. If His Majesty's Government in the U. K. could preserve her liberty of action to deal with the British Empire in spite of all those restrictions how was it difficult for India not to honour those pledges and yet preserve her internal economy? England has openly entered into that agreement with full reservations. I think I am correct in saying that she has reservations of having Imperial preference within the British Empire. If she could enter into such reservations, there was no reason why we should not have entered into a similar agreement. If we had entered into that agreement, the result would be that we would have been called upon to make available reverse lend-lease or reciprocal aid only to the extent to which the presence of American soldiers was essential for the safety of India and not as a measure of help to China or as a measure of help for the reconquest of Burma. These two are Imperial charges. The receipts are almost equal. According to the approximate estimates made available by the Finance Department, these three heads receive almost equal help from America; yet the major part of the payment is debited to the Indian exchequer. That, Sir, does not therefore represent any sterling assets. The third item which is excluded from the sterling assets is payments made by our country. I will skip over the third item.

I will now come to what it does represent. 75 to 80 per cent. of these assets represents the supplies made available to His Majesty's Government, not only for its military needs but for civilian needs as well. I would stress the fact that India is supplying to His Majesty's Government not only military requirements but also all requirements of a civil nature. For instance, there is the agreement about tea purchases. His Majesty's Government purchases a very large part of the tea production of India. At least the entire exportable surplus is bought by His Majesty's Government. Part of it is sent to England and part is sent to the Middle East, and to other parts of the world. The distribution is made by the Allied authorities dealing with the matter, and we, instead of receiving payments from, say, Iran or Iraq, receive payments from His Majesty's Government. His Majesty's Government acts as an honest—or perhaps anything but honest—broker in that respect. I do not know—my friends from Bombay have many accusations to lay at the heads of the U. K. C.—I am not competent to judge what the merits are. Then, there is the standing scandal of our dollar resources. India has been exporting to the U.S.A. not only on private trade account but through governmental purchase as well. For instance, tea. It does not go to the private trade channel but it goes through Government purchase. All our dollar resources ever since the war began have been commandeered. By means of a sort of vesting order by His Majesty's Government, all our dollar resources are taken up by His Majesty's Government and we are presented with the duds of a sterling. If His Majesty's Government would make available to us dollars, the result would be that the sterling balances will materially fall. Then there are all our export surpluses which grow from private trade, from whatever source they might be, but which are not credited to our accounts either in the shape of gold which we could have imported from certain countries or in the shape of foreign assets owned, meaning thereby dollars or coin to foreign investments. We could have foreign investments, if we had liked, and if we had our available resources, still in South America. Though I had some assets, it was quite open to make it available—the local coin—to the Indian capitalists just as British capitalists were investing in Argentine and other parts of South America. I

might have started investing in other countries and thereby creating a reserve and a source of income for the Indian people. But that has been denied because of the over-riding consideration of His Majesty's Government that all payments must come to us in the shape of sterling. I have stressed all these points to make it clear to the House that our sterling assets do not by any stretch of imagination represent the indebtedness of the U. K. to India. I have not the figures from the Government and therefore I cannot give you any definite indication, but my personal estimate is that not more than 60 per cent. represents the indebtedness of His Majesty's Government. Nearly 40 per cent. are those for which His Majesty's Government has received the liabilities, they represent certain assets which His Majesty's Government has acquired in any way available or by dollars. So when people come to us and say that India is foolish in asking for its liquidation and for its regulation, they do not consider that it is not a matter of generosity on the part of His Majesty's Government that they are making a *baksheesh* to us of 1300 crores. They do not understand the situation. I should like the House and the Government to realise what a great difference there is between our creation of sterling assets and the method adopted to repay it. All the purchases made in India are made at regulated prices on cost plus profit basis. Therefore, His Majesty's Government is getting full a 20 shillings worth for each pound that it purchases, whereas India, in the shape of consumer goods which she is purchasing, is swindled. There is no regulation of prices for export goods and liquidation as it is taking place at the moment involves a definite loss to the Indian peoples because we do not get 20 shillings for each pound worth of our purchases. We have to pay high inflated prices. The higher the cost of living, the higher the taxation. It is a well known fact that taxation really comes from manufactured goods because it is only there that they can make profits. Really we are subsidising His Majesty's Government to the extent of the profits earned by these industries in the shape of consumer goods imported into India. I am one of the advocates of the import of consumer goods. I do not want to stop the import of consumer goods because I feel that the consumer also has a right to get certain comforts and necessities of life. But there is need of regulating and controlling prices of the goods that are to be imported into India as a reciprocal measure to the rigid controls which the Government has instituted in the matter of purchases on account of His Majesty's Government.

Sir, there are many methods by means of which we can regulate the liquidation of sterling resources. Before I deal with these methods, I think it is necessary that I should point out that no one in India is so foolish as to ask that His Majesty's Government should be made to pay when they cannot possibly manage to pay. Like every prudent *mahajan* or banker, it is to our interest to see that the person who has taken a loan does not go to the court of bankruptcy; otherwise all the amount would be wiped out. Therefore, we, on our part, are not anxious to so force His Majesty's Government that they may not be able to sustain the weight. It is a well known fact that the position of England after the termination of the war would be much more difficult than it was formerly. Formerly they had a very large shipping tonnage. They had almost the monopoly of the carriage of goods by sea; they carried more in British bottoms than almost all the other shipping combined. Now the position has been reversed. The U. S. A. takes the first place and the U. K. comes as a bad second. The Germans and the Japanese will be practically wiped out. Therefore, one source of income will be materially reduced. Foreign investments have all been finished in order to make purchases before lend-lease started. We realise all the difficulties. Similarly we also claim that His Majesty's Government should also realise the difficulties of India. India is not in that comfortable position which is being painted by economists of London and other interested persons. I suggest, Sir, three or four methods of liquidation of our sterling assets. Firstly, it is no use trying to damn up a river and allow unregulated supply to come in. Concurrently with our desire to have a regulated liquidation we must see how far England can do without supplies from India. It should be a mutual arrangement—not a dictated arrangement either by His Majesty's Government or by the Government of India. I hope that the mission sent by the War Department under the leadership of Sir Akbar Hydari has succeeded and that we have got some relief from His Majesty's Government or reduction in the war supplies being made to

[Mr. Hossain Imam.]

His Majesty's Government, because until we reduce the off-take from India it will not be possible to have a regulated liquidation. The off-take may outstrip the arrangements of clearing up which we might make. In this connection I would remind the Government of India as well as the House of the facts as they exist in the U. K. All the war industries that have been established in England have been examined; plans are ready for their reconversion to peace production. Applications have been invited from industrialists to take over. Blue-prints are ready and I am told that in certain cases of reconversion from munitions production to peace production manufacture has started. All these methods are being explored; whereas the Government of India, like Rip Van Winkle, is having a quiet nap and not bothering about reconversion plans. The U. S. A. has also started on reconversion. Only the other day we heard of the heavy reduction made in naval construction. It has been reduced to 30 per cent. of what was formerly proposed. Everybody is busy in starting the race for peace now with the solitary exception of our wide-awake Government of India, pleased with the representatives of their own interests. A proof positive that the reconversion in the U. K. is going full steam ahead is the fact that the export of consumer goods is on the increase as may be found from our imports last year. The Customs schedule will give you the biggest proof of the fact that consumer goods are being manufactured in larger and larger quantities in the U. K. whereas there is no appreciable increase in the production of consumer goods in India. The U. S. A. has also a large number of things available which were formerly impossible to be had. The Honourable the Finance Secretary in his reply referred to the fact that there are certain items which it was formerly impossible to get except in lend-lease account because they were regarded as essential for defence purposes. We find, Sir, no replica of that in the Government of India because no thought has been given to it, because of the fact that there is no drive towards it, because of the fact that there is no incentive towards it and all that, Sir, is due to our slavery. The slave mentality is responsible for all the ills of India and the impotency of the authorities here to talk even on terms of equality with His Majesty's Government. I do not blame them for it. The constitutional position, as the Honourable Mr. Sapru stated at the time of his Adjournment Motion, is such that you cannot do anything else but to accept a subservient position. We have not the equal opportunities. Sir, that is the first method of reducing the accumulation of sterling balances by reducing His Majesty's Government's purchases and their insistence on exports, for instance, of textile goods. If a large reduction is made in that it will mean an appreciable reduction in our accumulated sterling balances. We are not anxious, Sir, to accumulate an asset which will cause us to pay interest and incur loss without any advantage. As I stated in the Finance Bill discussion we have to shoulder an expenditure of not less than Rs. 12 crores on the balance after taking all credits in this transaction of creating the sterling assets per annum by way of interest. I would suggest, Sir, the possibility of His Majesty's Government taking rupee loans repayable in sterling from the Indian Government. Private capitalists are anxious to keep the sterling balances and invest them in the British Empire. There is no need, Sir, for any Indian exchequer to pay interest at 3 per cent. and receive it back at three-fourths or one per cent. This can be done for His Majesty's Government or for the matter of that the Government of India could float a rupee sterling loan on which money will be received in the shape of rupees but which will be repaid at maturity in sterling in England, the interest remaining payable in rupees in India, or, if you like, interest can also accumulate in England provided His Majesty's Government makes it income-tax free.

Then, Sir, His Majesty's Government should also as a small measure of liquidation adopt the vesting order which they had for foreign securities on rupee investments in England by Britishers and I do not wish to eliminate by any means the British interest in India. I would suggest, Sir, that certain specific interests, for instance all the municipal loans, Port Trust loans or Improvement Trust loans, or, say, shares in utilities, shares in power, shares in mining—this kind of special thing which would according to all planning be a State concern—should now be acquired and handed over in repayment of sterling assets.

Then, Sir, there is the possibility of starting India on the way to her prosperity by giving a small amount of shipping, even for coastal trade.

These are, Sir, not methods of a revolutionary nature which I suggest but of an evolutionary nature, measures which could be easily adopted by the Government if they felt any real desire of approaching this question from the point of view of equals. That is the reason, Sir, why I have suggested that the deputation which I have proposed should not consist of officials only because they are bound to be affected consciously, unconsciously, subconsciously, by the conditions of their Service. But if representative Indians are associated there should be no difficulty about it. The Government of India of all persons should not stand in the way of the settlement of this question on a fair basis to India, for after all it is, Sir, the avowed object of Indian members, European members, permanent officials of the Government of India, that they all work in the interests of India. I therefore hope, Sir, that the Government will take early steps to give effect to this Resolution.

Sir, I move.

THE HONOURABLE SIR CYRIL JONES (Finance Secretary): Sir, as the Honourable the Mover of this Resolution has said, this matter of sterling balances has been discussed many times before. In fact, it has been discussed so frequently that I have been at a loss to know why this particular Resolution was tabled. I must confess, Sir, that I am still at a loss to understand the reason after the speech of the Honourable the Mover, because very little that he has said today differs from what has been said many times previously on this question. The origin of the sterling balances is well known. It is in the main the result of India's supply of war requirements, largely in the form of raw materials, to the United Kingdom and to other United Nations, and of the fact that India as a large producer of raw materials found her economy affected by the war to a very much less extent than was the case with the industrial nations who had to convert their productive industrial capacity to the production of war equipment. The result was that, thanks largely to the Fleets of the United Nations and, in particular, to the British Fleet, India was enabled to continue to export her surplus raw materials even after many of her overseas markets were lost, —which was a distinct advantage to India herself. I well remember personally the grave apprehensions that were expressed after the fall of France in 1940, when European markets were lost, that there might be a slump of certain commodities produced in India, such as a ground-nuts, and that their prices would fall to such an extent that disastrous results would follow. But, Sir, I do not wish to elaborate this point, because, for the purposes of this Resolution, namely, the question of the Government agreeing to send a deputation to the United Kingdom to discuss the question of the liquidation of these balances, I would suggest that the question of the origin of the sterling balances is largely, if not totally, irrelevant. These balances do exist, and, as between the national economies of the two countries, they obviously represent indebtedness from the United Kingdom to India which by and large can only be liquidated by exports from the United Kingdom, either to India or to other countries to secure exchange which could be passed on to India. In asking, as he does in this Resolution, that the Governor-General in Council should send a deputation consisting of officials and representative non-officials to negotiate with His Majesty's Government for the liquidation of India's sterling balances in the post-war period, the Honourable the Mover of the Resolution is, in the light of the pronouncements that have been made in this House and in the other place and outside the Legislature, to a large extent knocking at an open door, which, I suggest, is not a very profitable occupation. It has been announced times without number that the Government of India intend to send a delegation to the United Kingdom to discuss this very difficult and complicated matter. But there are two sides to every discussion, and the discussions can only be held when each of the two parties to the discussions is ready and in a position to embark on those discussions. At the time that the Honourable the Finance Member was in London after the Bretton Woods Conference, when it appeared that the war in the West might finish by Christmas, it was envisaged that discussions might profitably be held in the following Spring, that is, about the present time. But the war in the West took an adverse turn, which demanded renewed and intensive concentration on the conduct of the war in Europe, and that has postponed matters, because the attention of the Home Government is

[Sir Cyril Jones.]

So concentrated on the conduct of the war that it is not in the least likely to be in a position to discuss this matter with an Indian delegation until the war in Europe is definitely over.

The Honourable Mr. Hossain Imam will remember that this matter was adverted to in the Budget debate this year, and it was pointed out that in view of the uncertainty of the position, both the post-war export capacity of the United Kingdom and the material post-war requirements of this country and her absorptive capacity to take and use such materials, there really would not be any firm basis for discussion at this stage; and that therefore the postponement which the war had necessitated was really not a thing to be regretted, because it would give both sides time to explore their case. For instance, in India there is a general expectation that these balances will be liquidated largely by the import of capital plant. The first thing that any delegation from India would be asked is: "What plant do you want, and to what extent?"; in other words, "We owe you so much money. How will you take it?"; or, rather, "We owe you so much. What goods do you want?" With a view to preparing for such an occasion, as long ago as October, 1943, the Government of India circularised all industries and industrial associations asking them what their probable capital requirements would be whether for making good arrears of replacements or for expansion or for new developments within a certain period after the end of the war. Had we received an adequate response to that request, any delegation that proceeded from India now to discuss this question with His Majesty's Government would have been in a far better position to pursue the negotiations than in fact they would be if they were to go now. The fact remains that the response of Indian industry to that request which was sent to them was disappointing in the extreme. The Planning and Development Department, in view of that fact, have now introduced a scheme for registration of capital goods imports. That plan, under which every interest that will be requiring to import plant must get its application registered or forfeit any hope of getting an import licence, is already securing some results. We have certain cases registered and certain applications pending. But it has only had a few months in which to get going and the material at present accumulated is a certainly insufficient to enable anything like adequate information to be given to His Majesty's Government as to what exactly we shall want from them in the way of capital goods in order that they can lay their plans and earmark so much of their productive capacity in certain directions to satisfy India's requirements. I am not in a position to say when these negotiations can usefully be held. But in so far as the Resolution asks that the Government should send a deputation, it asks for something which the Government have already decided to do and which they have already announced in public.

The relevant part of the Resolution on which I should like to make a few comments is the suggestion that the deputation should consist partly of representative non-officials. The House is aware that the Honourable the Finance Member has announced more than once that the desirability of associating non-officials with this delegation when it is sent is fully appreciated by the Government. And I would submit that the fact that the Government do appreciate the desirability of associating non-officials with delegations of this sort is demonstrated and proved by the composition of the delegation which went to Bretton Woods. But although it is appreciated that it is desirable to associate non-officials with such a delegation, and the Government will certainly give effect to their desire for such association if conditions permit, as we cannot be one hundred per cent. certain that conditions will permit, we cannot give a one hundred per cent. guarantee that non-officials will be so associated.

THE HONOURABLE MR. HOSSAIN IMAM: Fifty per cent.?

THE HONOURABLE SIR CYRIL JONES: I cannot say. These negotiations must naturally be primarily between Governments—from one Government to the other. For one thing, it may involve a full and frank revelation of the affairs of one nation—say the United Kingdom—which they may not be prepared to make to other than a purely official delegation. I should like to emphasise that this is pure surmise on my part, which I merely put forward by way of illustration. But the

House will realise that it is at least a possibility that the United Kingdom Government may suggest that the talks, at any rate in the first instance, be on a purely official basis, for this reason, that they may be prepared to disclose information to an official delegation which they may not be prepared to disclose to a non-official delegation. That however we do not yet know.

Another question is that in these days we do not know what Government will be in power within a matter of months, and it is conceivable that if there is what is called a National Government or a responsible Government in power, they may not desire to associate non-officials with the delegation. It is impossible to say, and for that reason I am in a position to give a hard and fast assurance that non-officials will be associated with the contemplated sterling balance deputation to the U. K., although I would repeat that the Government fully appreciate the desirability of doing so and it is their intention, if it is possible, to adopt that course.

As to the word "representative", Sir, that is a word which can be differently interpreted according to the person who is interpreting it. A delegation of non-officials which may be considered representative by the Honourable Mr. Hossain Imam may not be considered representative by the Honourable Mr. Motilal. It will probably be necessary that the number of non-officials should be limited, and one condition which the Government would have to lay down is that the non-officials who were sent with such a delegation must be technically competent to understand and discuss the very complicated and technical questions involved. That, I think the House will regard as reasonable. Having made these points clear I venture to think that the House will regard what I have said as not unreasonable in any respect. The Government feel that their attitude towards this question is so near to the request contained in this Resolution that we have no desire to oppose the Resolution. But in not opposing it I must add that it has to be read with the considerations which I have mentioned, and that represents as far as the Government are able to go at the present time.

***THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) :** Mr. President, the speech which the Honourable Sir Cyril Jones has delivered is only partially satisfactory from our point of view, for this reason that he has not ruled out a delegation and he has not ruled out the association of non-officials with that delegation. But he has not committed himself to the position that non-officials shall be associated with that delegation. The line that he has taken is this. It is impossible to say at the moment when the delegation will be sent. This is not the opportune time for sending a delegation. Well, Sir, the end of the European war is within sight. It is now only a matter of days, possibly a matter of weeks. I do not think that the European War can continue longer than this month. It looks as if the collapse of Germany will come some time this month. Therefore, he could indicate with a greater degree of certainty than he has when the deputation will be sent. It may be taken that the delegation will be sent immediately or soon after the European war is over. Do I understand him to say that the delegation will be sent soon after the European war is over ?

THE HONOURABLE SIR CYRIL JONES : I say that is a distinct possibility but I cannot say that will be done within one month or two months or three months or any specific time.

THE HONOURABLE MR. P. N. SAPRU : What I want to know is, assuming that the European war is declared to be over within the next two or three or four weeks ; will the delegation be sent immediately or soon after the European war is over ?

THE HONOURABLE SIR CYRIL JONES : I cannot give any firm assurance. I cannot accept any commitment beyond what I have said.

THE HONOURABLE MR. P. N. SAPRU : That is exactly what I meant by saying that the reply of the Honourable Sir Cyril Jones is only partially satisfactory, because there is no definite commitment that a delegation will be sent immediately or soon after the European war is over. It has been left more or less an open question.

[Mr. P. N. Saprú.]

The second respect in which the reply of Sir Cyril Jones is from our point of view unsatisfactory is that he has given a sort of veto to Great Britain for the nature of the delegation that this country will send to Great Britain. He says, the British Government may not like to discuss the question of Britain's ordered liquidation of her sterling balances with non-official representatives. Am I correct?

THE HONOURABLE SIR CYRIL JONES : That is not what I said. As a matter of fact, after the Bretton Woods Conference, the two non-official delegates to the Bretton Woods Conference were asked to accompany the Finance Member and the Governor of the Reserve Bank to London to participate in the preparatory discussions on the problem of the sterling balances but, unfortunately, they were not able to comply with that request. I suggest that there is no justification for charging me with saying that His Majesty's Government object to discussing this matter with non-official Indians. What I did say was that it may be found that for a proper discussion of this matter, for the discussion to prove fully productive, it may be necessary to have such an intimate examination of the affairs of the two countries that the Government of the United Kingdom may not be prepared to lay all their cards on the table if the delegation were partly non-official. I did not say that if we insisted on sending a non-official delegation, H. M. G. would not discuss the problem with it on such basis as they could. What I said was, that it may be that the discussion could not be so frank and therefore so fruitful if non-officials were included, and therefore we may have to consider the one advantage and disadvantage against the other advantage and disadvantage and decide which was best in the interest of the country. But I took care to add that this was pure surmise. I was merely speaking by way of illustration to emphasise the fact that we could not be absolutely certain now that it would be possible to accept a firm commitment to include non-officials.

THE HONOURABLE MR. P. N. SAPRÚ : I am glad that the Honourable Sir Cyril Jones has tried to remove the misapprehension which his speech gave us. But, unfortunately, the point stands out that a purely official delegation is not ruled out. The delegation may consist of officials and non-officials or it may consist of officials only. He has not ruled out the possibility of a purely official delegation for the reason that he thinks that it may be that an official delegation will be in a better position to negotiate with Great Britain than a mixed delegation of officials and non-officials.

THE HONOURABLE THE PRESIDENT : He did not say that. He said that one Government must deal with another Government. He said that one Government may not like to divulge matters to non-officials.

THE HONOURABLE MR. P. N. SAPRÚ : That the Government report greater confidence in a purely official delegation than in a mixed delegation of officials and non-officials is hair-splitting. Anyway the position is unsatisfactory in so far as a definite commitment that non-official delegates will be associated with the delegation has not been made. The Honourable Sir Cyril Jones said that it was difficult to define the word "representative" and in any case he thought that technical competence was something which must be insisted upon in the case of men who are selected for this delegation. But I do not think that technical competence is or can be the monopoly of industrialists or business men only. There are public men who have given thought to financial and economic questions and who can view these questions from a better perspective than business men, who ought not to be ruled out because they are not regarded as technically competent. Technical competency must mean in official language competency connected with only business. You must give a wider interpretation to that term "technical competency". I do not say that I am opposed to your including business men in the delegation; but in addition to the inclusion of business men it may be necessary, and indeed desirable, to include men who are not officially connected with business and who have given thought to the general question which the accumulation of sterling balances raised.

Then there is one other point I should like to stress. The Honourable Sir Cyril Jones has said that the response in regard to the census of needs that was taken has not been very satisfactory. They have not yet indicated what things they

will exactly require in the post-war period. It may be that that is so. But what Indian industry and Indian industrialists would like to know is where they stand in regard to capital goods so far as the future is concerned. The Honourable Mr. Hossain Imam has used the words "regulated liquidation". That should dispose of any apprehension that what is intended is that the sterling balances should be paid for only in capital goods. Capital goods should represent a very large part of the manner in which these balances are liquidated, because we shall need to revitalise our old industries, we shall need to establish new industries and we shall need in the post-war world to adopt industrialisation of the country as a definite policy. I do not say that in industrialising the country we should ignore the claims of agriculture; but I do say that we must look upon industry and agriculture as complementary to each other and we must not think merely in terms of consumer goods industries. We must also think in terms of heavy industries. These are broad questions of policy on which not only the industrialists but the politician may also have something to contribute and therefore so far as I am concerned a representative delegation would be a delegation which would consist of industrialists and politicians also and also of representatives of agriculture and labour. I do not exclude any representative of these classes from a representative delegation. We have got in this country—and Government can multiply—any number of parties. We know the main organisations in this country. We know that there is the Congress, the Muslim League, the Hindu Mahasabha of which my esteemed friend the Honourable Mr. Kalikar is a leading light (*An Honourable Member*: "Liberals") and there is a handful of intellectual Liberals whose virtue is intellectual honesty and we just give thought to public questions and we just exist as a thought-acting agency in this country. But there are these three or four big political organisations. (*An Honourable Member*: "The Depressed Classes".) They are part of the Hindu community. I am not entering into that controversy. It is possible for us to have a fair idea of what a representative delegation would be. You can go on multiplying classes after classes; but if you limit your delegation to a reasonable size you can have a fairly representative delegation within that limited size—

THE HONOURABLE THE PRESIDENT: Can you give a definition of a representative delegation?

THE HONOURABLE MR. P. N. SAPRU: I will define it in a negative manner. My definition of a representative delegation is that it must not be like the San Francisco Delegation; and I think the Bretton Woods Delegation came nearer the goal of a representative delegation than the San Francisco Delegation does.

It is unnecessary to go into the question as to how these sterling balances have been accumulated, whether they represent any sacrifice on the part of the people of India or not. All these questions have been dealt with by the Honourable Mr. Hossain Imam and I am in general agreement with the line that he has taken in regard to the manner in which these sterling balances have been accumulated. They represent payment for services rendered by us. They are in no sense a loan by us to His Majesty's Government and therefore I think it is necessary that these sterling balances should be honoured and that ingenious devices, such as currency manipulation, should not be used to get rid of the liabilities which they have occasioned.

With these words, Sir, I give my whole-hearted support to the Resolution of the Honourable Mr. Hossain Imam.

THE HONOURABLE SIR RAMUNNI MENON (Nominated Non-Official): Sir, I should like to ask a question. It seems fairly certain that the liquidation of the bulk of these balances will have to be spread over a fairly long time. If that is so, I should like to ask whether Government have ever considered or whether they would be prepared to consider now the desirability of investing at least the bulk of those balances in fairly long-dated sterling securities in England. That is the question that I wish to ask.

THE HONOURABLE SIR SHANTIDAS ASKURAN (Bombay: Non-Muhammadan): I am very glad, Sir, that the Honourable Sir Ramunni Menon has raised the question of investment. I quite appreciate the impatience on the other side about this very big amount that is lying with His Majesty's Government without earning any interest, as according to Sir Cyril Jones it will take a very long time to be paid—

[Sir Shantidas Askuran.]

paid not in coins but in kind through materials, etc. I quite appreciate that. Sir, during war-time India has stood well and most honourably to help the war effort. I do not grudge all the money that has been paid to His Majesty's Government—money raised and spent here in this country on their account—but what I would like to request is that until this question, the question of the liquidation of our sterling balances is finally decided in consultation with the delegation which will be sent from here to negotiate with His Majesty's Government this large amount lying to our credit in London should not be left idle. We have raised loans against it so as to pay off debts in this country on their account in rupees for which we are paying a large amount as interest—I think it is to the tune of about Rs. 24 crores a year. The money which is lying to our credit with His Majesty's Government is—I am open to correction—about £1,200 millions. If this amount is invested, say in sterling securities at 3 per cent., instead of lying idle or in treasury bills, it would bring us about Rs. 48 crore annually. Thus the total loss to our revenues now is about Rs. 72 crores which is more than half the total pre-war revenue. I would therefore, suggest, and I think the whole House will agree with me including my Honourable friends on the official benches, that this whole question should be fully examined to ascertain and decide how this money should be paid back to this country. Being a matter for negotiation between the two countries, it may take some time, but in the meantime what I desire to urge is, as the Honourable Sir Ramunni Menon has rightly put it, that this money should be properly invested—even in sterling loans so that interest may accrue to enable us to meet our own commitments and debts. If this amount of Rs. 72 crores is available to us, it will help us also to reduce taxation and find more money for national development. Sir, it is not a mere political question. It is a question of intricate finance and business. In the delegation which will go from this country, there should be people with knowledge of finance and business who can speak and negotiate with skill and authority these intricate financial questions. It is a highly technical matter—examining accounts, checking and verifying various detailed items, working out correct balance sheets—all requiring financial experience and a trained business mind. Let me again repeat that while this question of sending a delegation may be considered at the appropriate time having in view prevailing circumstances, the question of investing this money should be taken up immediately without wasting any time. We cannot afford to keep all this money locked up and to go on paying interest to the tune of Rs. 24 crores. I think, therefore, that my Honourable friend Sir Cyril Jones will agree with me that this money should be invested properly and immediately to enable us to meet at least the interest charges on the loans we have raised in this country.

THE HONOURABLE MR. THIRUMALA ROW (Madras : Non-Muhammadan): I rise to support the Resolution which, in my opinion, is not very happily worded. For the first time I have listened to a speech in a conciliatory tone from the Government benches, though it does not carry us far enough. The status of this country and of the Central Government must be decided before any effective step can be taken in this direction. That is our view with which I think the Honourable the Finance Secretary has in a way agreed by saying that a more representative form of government may come into existence to replace the present form of government in the near future. Until then, Sir, the experience which we have had with regard to the status which the Government of India have enjoyed in all these International Conferences has not been very encouraging. For instance, take the Bretton Woods Conference to which the delegation was led by Lord Keynes. The delegation had two Advisers : Sir Shanmukham Chetty and Mr. Shroff of Bombay and after returning from the Conference they gave interviews in the Press with regard to the very subordinate and ineffective role they were compelled to play at Bretton Woods.

THE HONOURABLE SIR CYRIL JONES : I do not think that is correct, Sir

THE HONOURABLE MR. THIRUMALA ROW : I have got a very clear recollection of the interview given by Mr. Shroff which appeared in the Bombay papers, saying that their position was one of subordination, though in another paragraph he tried to give a more balanced statement, because people that have been nominated by Government have to be diplomatic. People can however understand the truth

and the very fact, as admitted by the Honourable Member, that these two gentlemen did not accept the invitation of going to England and assist in further consultations speaks of the experience they had had at Bretton Woods. Therefore, we have got very grave suspicions about these non-official advisers though they may be very competent. We have been told that a guarantee cannot be given that non-officials will be associated with this delegation or of their qualifications to understand the technical side of the questions which have to be considered. But nobody has questioned the competence of these two gentlemen to understand financial matters about which they had gone to Bretton Woods and I should think, Sir, that until that is settled this will be a matter just as was brought about in the rulings on the Adjournment Motions this morning: that the Government of India is only a subordinate branch of His Majesty's Government and that any negotiations that will be carried on will be between two branches of a superior Government. India cannot have its say independently and there is always the fear which has been expressed in some of the leading economic journals in England like the *Economist* that attempts are being made to somehow get out of this great commitment on the part of Britain and repudiate the debt. Arguments were not lacking, Sir, when the *Economist* had written that all the raw materials and goods supplied by India to Great Britain have been supplied at enormous cost, at the inflated prices. With regard to the actual cost that has to be calculated the newspaper *Economist* has suggested that pre-war cost of the goods must be calculated and that only such amount should be debited and not the appreciated cost which has risen on account of inflation. The *Spectator*, another paper, has taken up the same line of argument and has argued that the relation between India and England is not between two equals and therefore this debt cannot be construed as one given in so many sterling or pounds of cash but it is one for services rendered and also for the cost of goods that have been purchased at very high prices. These suspicions have been spread about and the Secretary of State has had to assert that there is no such intention on the part of His Majesty's Government with regard to the sterling debt. But, Sir, from the answers that have been given on the floor of this House by Government members it is perfectly clear that capital goods that are available in England must be compulsorily purchased by Indian industrialists. The question of cost, the question of efficiency, were not mentioned anywhere in those answers. They said in reply to a question that when goods available for sterling are to be ordered we only agree to the import of goods from Britain. The question of cost or cheapness or availability in other countries is given the second place. Preference is given to the goods that are available in England.

The Honourable the Finance Secretary has said that the response of the Indian industrialists with regard to their demand for capital goods has been disappointing. The Government of India's industrial policy is not clear. The industrialists of this country do not know which industry the British Government is encouraging, which industry the British Government is not going to encourage and what line of policy they are going to pursue in the post-war planning. For instance, there is the charge, which is unanswerable, that the British Government are unable to bring the major industries of aircraft and motor car into existence as Australia and Canada have done as a result of this war and any other industry which is going to compete with the British may be looked upon with disfavour by the existing Government in India. That is exactly the reason why I understand from the literature published by these journals and other organs of the industrialists in India that the industrial policy of the Government of India is not in the hands of the nationalist India or a National Government. Therefore, they are not very forward in getting their capital goods from England or any other country until and unless they are assured that there would be sufficient protection for their industries. For instance, the Hydari Mission: why it went, why it spent three or four weeks there, and what it has brought to India, nobody knows; they have not taken us into confidence.

THE HONOURABLE THE PRESIDENT: The Honourable Member had better stick to the Resolution.

THE HONOURABLE MR. THIRUMALA ROW: My point is this. There is a fear that the sterling balances will be frittered away. We have seen in the Press an item of news—it has not been contradicted—that goods worth £60 million are to be

[Mr. Thirumala Row.]

imported into India for some years to come. That will wipe out a substantial portion of our assets. A large number of students are being sent abroad, mostly to England, on scholarships, and a certain amount will be absorbed by that. The Honourable the Finance Member said with regard to the payment of pensions and other charges that these may be capitalised, and to that extent the amount may be debited to our assets there. In all these ways the Government of India, if it is allowed to have its own say with the British Government, may put us into such a position that our assets may not be as lucrative or as large as they appear to be when the time comes for the industrial rehabilitation of this country. That is my point.

So far as the Resolution is concerned, I do not think much can come out of it unless the status of the Government of India is one of absolute equality with the British Government, whether you call it independence or dominion status. Until that situation is brought about and that status is achieved, we have to be thankful for the small mercies which the Honourable Member has offered.

THE HONOURABLE THE PRESIDENT : As there are other Honourable Members wishing to speak, I think it is a convenient time to adjourn the House.

I have got a list of the results of all the elections. There are nearly twenty results, and I have no time to read them all. I am laying all these election results on the table. During the recess Honourable Members may acquaint themselves with the results.

SECRETARY OF THE COUNCIL : Sir, I lay on the table a copy of the statement showing the results of elections to the Committees mentioned therein.

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

STANDING COMMITTEE FOR THE DEPARTMENT OF INFORMATION AND BROADCASTING

THE HONOURABLE THE PRESIDENT : With reference to the announcement made by me on the 14th March, 1945, regarding nominations for election to the Standing Committee to advise on subjects in the Department of Information and Broadcasting, I have to inform the House that the Honourable Kumar N. N. Sinha has since withdrawn his candidature. As there now remain the following two candidates for two seats, I declare them duly elected :—

1. The Honourable Mr. Thirumala Row.
2. The Honourable Mr. Hossain Imam.

STANDING COMMITTEE ON EMIGRATION

THE HONOURABLE THE PRESIDENT : With reference to the announcement made by me on the 14th March, 1945, regarding nominations for election to serve on the Standing Committee on Emigration, I have to inform the House that the Honourable Mr. Khurshid Ali Khan and the Honourable Mr. S. K. Roy Chaudhury have since withdrawn their candidature. As there now remain the following four candidates for four seats I declare them duly elected :—

1. The Honourable Pandit Hirday Nath Kunzru.
2. The Honourable Mr. P. N. Saprú.
3. The Honourable Sir David Devadoss.
4. The Honourable Saiyed Mohamed Padshah Sahib Bahadur.

STANDING COMMITTEE FOR THE CIVIL DEFENCE BRANCH OF THE DEFENCE DEPARTMENT

THE HONOURABLE THE PRESIDENT : With reference to the announcement made by me on the 14th March, 1945, regarding nominations for election to serve on the Standing Committee to advise on subjects with which the Civil Defence Branch of the Defence Department is concerned, I have to inform the House that the Honourable Mr. Thirumala Row, the Honourable Sir Satya Charan Mukherji and the Honourable Mr. Abdool Razak Hajee Abdool Suttar have since withdrawn their candidature.

As there now remain the following three candidates for three seats I declare them duly elected :—

1. The Honourable Mr. Susil Kumar Roy Chowdhury.
2. The Honourable Mr. M. L. Das.
3. The Honourable Kumar N. N. Sinha.

THE HONOURABLE THE PRESIDENT : With reference to the announcements made by me on the 21st and 27th March, 1945, regarding nominations to certain committees, I have to announce that the following Honourable Members have been nominated for election to the following Committees :—

STANDING COMMITTEE FOR THE POSTS AND AIR DEPARTMENT

1. The Honourable Mr. N. K. Das.
2. The Honourable Mr. G. S. Motilal.
3. The Honourable Haji Syed Muhammad Husain.

There are three candidates for three seats and I declare them duly elected.

STANDING COMMITTEE FOR THE LABOUR DEPARTMENT

1. The Honourable Maulvi Ali Asgar Khan.
2. The Honourable Sir Sobha Singh.
3. The Honourable Saiyed Mohamed Padshah Sahib Bahadur.
4. The Honourable Mr. M. L. Das.
5. The Honourable Sir Satya Charan Mukherjee.

There are five candidates for five seats and I declare them duly elected.

CENTRAL ADVISORY COUNCIL FOR RAILWAYS

1. The Honourable Sir Sobha Singh.
2. The Honourable Mr. Abdool Razak Hajee Abdool Suttar.
3. The Honourable Sir David Devadoss.
4. The Honourable Mr. Chidambaram Chettiyar.
5. The Honourable Mr. Thirumala Row.
6. The Honourable Haji Syed Muhammad Husain.

There are six candidates for six seats and I declare them duly elected.

STANDING COMMITTEE FOR THE LEGISLATIVE DEPARTMENT

1. The Honourable Saiyed Mohamed Padshah Sahib Bahadur.
2. The Honourable Mr. P. N. Sapru.
3. The Honourable Mr. Susil Kumar Roy Chowdhury.

There are three candidates for three seats and I declare them duly elected.

STANDING COMMITTEE FOR THE HOME DEPARTMENT

1. The Honourable Mr. Hossain Imam.
2. The Honourable Mr. M. L. Das.
3. The Honourable Nawabzada Khurshid Ali Khan.
4. The Honourable Pandit Hirday Nath Kunzru.

There are four candidates for four seats and I declare them duly elected.

STANDING COMMITTEE FOR THE WAR TRANSPORT DEPARTMENT

1. The Honourable Nawabzada Khurshid Ali Khan.
2. The Honourable Maulvi Ali Asgar Khan.
3. The Honourable Mr. Chidambaram Chettiyar.
4. The Honourable Mr. Susil Kumar Roy Chowdhury.

There are four candidates for four seats and I declare them duly elected.

STANDING COMMITTEE FOR THE FOOD DEPARTMENT

1. The Honourable Mr. V. V. Kalikar.
2. The Honourable Mr. Susil Kumar Roy Chowdhury.
3. The Honourable Mr. M. N. Dalal.
4. The Honourable Nawabzada Khurshid Ali Khan.
5. The Honourable Saiyed Mohamed Padshah Sahib Bahadur.

There are five candidates for five seats and I declare them duly elected.

DEFENCE CONSULTATIVE COMMITTEE

1. The Honourable Pandit Hirday Nath Kunzru.
2. The Honourable Sir Buta Singh.
3. Brigadier, the Honourable Sir Hissamuddin Bahadur.
4. The Honourable Mr. V. V. Kalikar.

There are four candidates for four seats and I declare them duly elected.

STANDING COMMITTEE FOR THE INDUSTRIES AND CIVIL SUPPLIES DEPARTMENT

1. The Honourable Sir Shantidas Askuran.
2. The Honourable Mr. G. S. Motilal.
3. The Honourable Mr. N. K. Das.
4. The Honourable Maulvi Ali Asgar Khan.

There are four candidates for four seats and I declare them duly elected.

CENTRAL COMMITTEE OF THE TUBERCULOSIS ASSOCIATION OF INDIA

The Honourable Sir Satya Charan Mukherjee.

There is one candidate for one seat and I declare him duly elected.

STANDING COMMITTEE FOR THE COMMERCE DEPARTMENT

1. The Honourable Mr. G. S. Motilal.
2. The Honourable Mr. Abdool Razak Hajee Abdool Suttar.
3. The Honourable Kumar N. N. Sinha.

There are three candidates for three seats and I declare them duly elected.

STANDING COMMITTEE FOR THE SUPPLY DEPARTMENT

1. The Honourable Sir Rahimtoola Chinoy.
2. The Honourable Mr. Chidambaram Chettiyar.
3. The Honourable Sir Suleman Cassum Haji Mitha.

There are three candidates for three seats and I declare them duly elected.

STANDING COMMITTEE FOR THE EXTERNAL AFFAIRS DEPARTMENT

1. The Honourable Sardar Bahadur Nawab Assadulla Khan Raisani.
2. The Honourable Mr. G. S. Motilal.
3. The Honourable Mr. Hossain Imam.
4. The Honourable Mr. P. N. Sapru.

There are four candidates for four seats and I declare them duly elected.

STANDING COMMITTEE FOR EDUCATION

1. The Honourable Mr. Thirumala Row.
2. The Honourable Pandit Hirday Nath Kunzru.
3. The Honourable Mr. M. L. Das.
4. The Honourable Sir Ramunni Menon.
5. The Honourable Saiyed Mohamed Padshah Sahib Bahadur.

There are five candidates for five seats and I declare them duly elected.

STANDING COMMITTEE FOR AGRICULTURE AND FORESTS

1. The Honourable Mr. Susil Kumar Roy Chowdhury.
2. The Honourable Nawabzada Khurshid Ali Khan.
3. The Honourable Sir Sobha Singh.
4. The Honourable Maulvi Ali Asgar Khan.
5. The Honourable Sir Ramunni Menon.

There are five candidates for five seats and I declare them duly elected.

STANDING COMMITTEE FOR THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS

1. The Honourable Mr. Thirumala Row.
2. The Honourable Sir Buta Singh.
3. The Honourable Mr. Hossain Imam.
4. The Honourable Rai Bahadur Sri Narain Mantha.
5. The Honourable Sir Satya Charan Mukherjee.

There are five candidates for five seats and I declare them duly elected.

STANDING COMMITTEE FOR THE PLANNING AND DEVELOPMENT DEPARTMENT

1. The Honourable Sir Gopaldaswami Ayyangar.
2. The Honourable Mr. G. S. Motilal.
3. The Honourable Rai Bahadur Sri Narain Mahtha.
4. The Honourable Mr. Hossain Imam, and
5. The Honourable Mr. J. M. B. Gibbons.

There are five candidates for five seats and I declare them duly elected.

The Council reassembled after Lunch at Three of the Clock, the Honourable the Chairman (the Honourable Mr. M. N. Dalal) in the Chair.

STANDING COMMITTEE FOR ROADS

Mr. CHAIRMAN (the Honourable Mr. M.N. Dalal): With reference to the announcement made by the Honourable the President on the 27th March, 1945, regarding nominations to the Standing Committee on Roads, I have to announce that the following Honourable Members have been nominated for election to that Committee:—

1. The Honourable Mr. Abdool Razak Hajee Abdool Suttar.
2. The Honourable Sir Rahimtoola Chinoy.
3. The Honourable Mr. G. S. Motilal.
4. The Honourable Mr. M. N. Dalal.
5. The Honourable Mr. N. K. Das.
6. The Honourable Maulvi Ali Asgar Khan.
7. The Honourable Mr. J. M. B. Gibbons.
8. The Honourable Mr. Thirumala Row.

There are eight candidates for four seats and an election will be necessary. The election will be held on the 11th April, 1945.

RESOLUTION *RE* INDIA'S STERLING BALANCES—*Contd.*

*THE HONOURABLE MR. HOSSAIN IMAM: Mr. Chairman, the Honourable Sir Cyril Jones was very considerate and he was gracious enough to announce that Government will not oppose this Resolution. But that contains a reservation. There is a world of difference between the acceptance of a Resolution and the negative statement that it will not be opposed. Reservations, Sir, come like the breath of life to the Finance Department. They have always to take care that the liabilities do not increase and therefore they hedge it in with reservations. They also gave us the bait, Sir, of the advent of the millennium, the chances of the coming of the National Government. When he finds it so difficult to find representative non-officials to manage the position, I wonder how the higher authorities would find representative people to take over the reins of government. The promise was correct in the usual Finance Department parlance which gives everything but with certain reservations which mean that nothing has been handed over. He also referred to the fact that I was knocking at an open door. The door has been flung wide for a change in the constitution of India. The Cripps offer has been dangling before us from April, 1942, and yet, in effect, it does not materialise. There are certain methods by which even entry into open doors can be barred, for instance, if you have it electrified. Similarly, the doors of the deputation may be wide open but entry is refused to those who are not *persona grata* and that was taken care of in his insistence on technical competency to understand these questions. That, Sir, raises a rather big issue. I know that in the British Empire finance is supposed to be the sole preserve of the industrialists. But we think, Sir, that people like Keynes, Cassel and Harold Lasko have no experience of finance and yet they are regarded as the highest authority on the subject of finance. In India, it seems to be the monopoly product or patent of the industrialists alone. You cannot have any one but people intimately connected with industry to be trusted with anything pertaining to the finances of the country, whether it be the Reserve Bank or this deputation or the Bretton Woods Conference or anything else. We on this side of the House deny this monopoly and sole prerogative. We feel that there are instances, and good enough instances, where

*Not corrected by the Honourable Member.

[Mr. Hossain Imam.]

people unconnected with industries have run finances not only successfully but with marvellous success. Look at the manner in which Germany managed to maintain its mark without gold backing on a suitable gold basis. When England with all its resources in 1931 had to go off the gold standard, the mark continued, thanks to Dr. Schacht, on the gold parity. Look at the U. S. S. R. which has no business experience ; yet it can maintain and carry out not only the internal finances of the country but run the whole Government on a plan which even the Britisher cannot imagine. They find a lot of difficulty in having controls whereas the U. S. S. R. is not only controlling but producing, distributing, and taking part at every stage and all without this marvellous experience of industrialists, which to the Government of India seems to be a thing without which they cannot get on. It is the breath of life to the Britisher because, if you will excuse my saying so, I would call him, in the words of a bigger man, Napoleon, who passed the stigma on the British as "A nation of shopkeepers". I do not mean it in any derisive spirit. I only state it as a factual presentation. As long ago as 140 years before, that was the remark of a remarkable man and it has stuck. They have acquired a full Empire. To India the British did not come as conquerors. They only came here to trade and this has been the ladder through which they have risen to heights. Therefore, they are people who do not wish to throw down the ladder and they honour it by making it essential that everywhere, industrial and trade experience should be at a premium. It is one of the psychological factors that you can always trace in nations. When he used the point about how we can get the capital goods which we require, I think he was labouring the point. The British Government will not have to manufacture those goods. It is the private industrialists who will manufacture the goods. What the British Government has got to do is only to make finance available to get supplies. Supplies have to compete with imports from outside countries available to the manufacturer. It will be a business deal from year to year. The only settlement which the British Government as such can arrive at between the Government of India and His Majesty's Government would be the fixing of maxima and minima, that you shall not within the period of 12 months get capital goods of less than this amount, so that employment may be assured to the manufacturers of capital goods and not more than a certain maxima, so that they may not deprive the consumers of their other supplies. You cannot do it. You or any National Government or any Government for the matter of that cannot lay down what shall be the capital goods required for the future 10 or 15 years. The regulated liquidation cannot take in my estimate a period of less than 15 years and more than a period of 30 years. I place it in between these two limits. I am taking into consideration the fact that this accumulation is not being stopped. Accumulation will continue due to the fact that Sir Cyril adopted an attitude of discreet silence on the question of imports from England of consumer goods. He referred to the fact that Indian capitalists had not given the information which Government had asked in November, 1943. Although I do not hold any brief for the capitalists and I am if anything more against capitalists than for them, nevertheless I must give them their due. No capitalist can place orders without knowing the cost of the goods. The cost at the moment would be so prohibitive as to preclude wise financiers from placing orders now. I remember very well—and it can be corroborated from the records—that either Mr. Kasthubai or Sir Shri Ram once stated in a meeting that anyone who goes in for capital goods at this moment would be going straight to liquidation, because the goods will be purchased at such a high price that with the fall which is likely to come two or three years after the war it will be impossible for the firm to continue to manufacture unless they get some subsidy.

I have not got very much more to say. I am thankful even for small mercies. I would like to say one word. There have been so many deadlocks. First we had the Hindu-Muslim deadlock ; then the Government *versus* the Nation deadlock ; the third deadlock has come between Indian States and the Crown Representative ; and now perhaps a deadlock may arise on the composition of this deputation due to the fact that His Majesty's Government may not be prepared to lay all their cards on the table before a non-official delegation. But Sir, I do submit that we are not concerned with the internal questions of the British Government who may as they have always done say that we can go thus far and no further. The reasons for refusal,

for instance, to give us £200 millions worth of goods every year may be based on very sound and convincing factors which the British Government is not willing to lay down, but they can place it before us as a *fait accompli*. We will have to accept it as a dictum and they will not make any material change. I would also in conclusion stress the point which was made by Sir Ramunni Menon. It is very essential that either the British Government should themselves take loans in India and also the liability of the past loans that we have taken or we should invest our money at a higher rate of interest than we are doing now; knowing as we do that there is not even the ghost of a chance of liquidating all this money within a measurable period of three or four years, why should we not invest our monies in the British Government securities. The Reserve Bank Act can be amended easily in order to validate this action and I hope that this point will be borne in mind; and I hope that this point will be borne in mind by Sir Cyril Jones and next session we will have an amendment of the Reserve Bank Act in order to make it possible if they cannot get the British Government's sanction for liquidation in the meanwhile.

THE HONOURABLE SIR CYRIL JONES: Mr. Chairman, I have indicated in my previous speech Government's general reaction to, and sympathy with, this Resolution. I feel that the points that have been raised in the discussion, interesting and important though they undoubtedly are, are to a large extent irrelevant to the Resolution in the terms in which it stands. From what one hears from public speakers and the press in this country on the subject of liquidation of sterling balances one cannot help wondering sometimes whether the country really desires repayment of these sterling balances or not. To say "We want repayment of these balances, but we are not prepared to say in what form we will take repayment and we are not prepared to say whether and to what extent we will buy" is, I would submit, Mr. Chairman, next door to a contradiction in terms. The Honourable Mr. Hossain Imam in his reply said that we are not concerned with the internal arrangements in the U. K. and such capital goods as are purchased will be purchased not from the Government of the U. K. but from the industrialists in that country. But I think there is a general appreciation of the fact that the Government of the United Kingdom for the purpose of securing a fair apportionment between internal needs and external demands, must necessarily exercise a considerable degree of control over the orientation of British capital goods industry and therefore over the reconversion of British productive capacity from war purposes to peace purposes. To my knowledge the Board of Trade have addressed inquiries to this country to ascertain what type of goods will be required and in roughly what amounts, in order that they may have material for so planning the transition to peace-time production as to secure a fair allocation for meeting export requirements. It seems to me unreasonable to expect that any part of British productive capacity, the whole of which will be needed to work at full strength after the war, should be kept idle on the chance that India may come along and take some goods. As to the question of price, admittedly there is a difficulty; but I believe that orders are being booked on a firm price basis, subject only to two alterations which will operate automatically,— one the raw materials factor which will automatically operate on an official raw material price index, and second, the cost of labour factor which will operate automatically on certain published data in the U. K. of labour costs. That I think is as far as any reasonable person could expect the U. K. manufacturers to go in the uncertain conditions of the present. The Honourable Mr. Hossain Imam said that I kept a discreet silence on the question of consumer goods. I kept a discreet silence on that question for the simple reason that there did not seem to be very much in the present debate on that topic to reply to. Had I had more time for my reply to the general discussion on the Finance Bill, I could have said very much on this subject, because I feel very strongly on what I regard as the artificial agitation that is being engineered in this country by certain vested interests against the import of consumer goods to meet the very real demand on the part of consumers in this country, who have been starved for goods for a number of years. Arguments are put forward in this country, on the one hand, that sterling balances have risen to such a figure that there is no prospect of our ever getting them translated into goods and, on the other hand, that if a few million pounds worth of consumer goods are imported into this country that means frittering away the external resources of the country to the detriment of its future industrialisation. It is necessary to keep a balanced view on these questions, since there is

[Sir Cyril Jones.]

little doubt that the sterling balances are of such a size that they can accommodate not only the capital goods requirements of the country at a rate which it will be in a position to absorb having regard to the various relevant factors, not the least of which will be a dearth of trained technicians, but also some degree of satisfaction of the vacuum of consumer goods demand which undoubtedly exists in the country at the present time. In passing I should like to say, with reference to what the Honourable the Mover said in his reply regarding competency to discuss these very technical questions being by no means the monopoly of the industrialists, that I never intended to suggest or to insinuate that that was the case. It was certainly no argument of mine, and I did not intend to imply it when I made the fairly obvious observation that whoever is sent to assist in the negotiations for the liquidation of sterling balances should be technically competent to understand and discuss these questions. That is in no sense a suggestion that only industrialists should be sent.

The last remaining point to which I need reply, Sir, is the question put to me by my Honourable friend, Sir Ramunni Menon, about the rate of interest on sterling balances, linked as it is with the point raised by the Honourable Mr. Hossain Imam in his opening speech regarding the possibility or desirability of rupee sterling loans, as he called them, being floated in this country. Here we are up against the technical position, which is that the assets of the Reserve Bank of India are held partly in the Issue Department as a backing to the note issue of the country and partly in the Banking Department to be available for sale for rupees to importers and others in this country. They, therefore, have to be kept in a liquid form and the conditions governing the investment of those assets is laid down in the Reserve Bank of India Act. It is a matter of investment policy of the Reserve Bank, which is governed by statutory provision. A point which is frequently overlooked is that the Reserve Bank is under statutory obligation to sell sterling without maximum limit to any person who tenders legal rupee currency for the purpose and that, I think, has a bearing on Mr. Hossain Imam's suggestion for the floating of loans in this country which would be subscribed to in rupees and be repayable in sterling. The fact is that because the Reserve Bank is under obligation to sell sterling any person can secure sterling without limit of amount for the equivalent in rupees which he tenders.

As to His Majesty's Government floating loans in the Indian market, that suggestion, Sir, has been raised and answered several times on the floor of this House. It is a suggestion which has by no means met universal acceptance. I remember that the Honourable Sir Gopalaswami Ayyangar was very strongly against it, and I myself have explained on the floor of this House the ineffectiveness of such an arrangement and also its undesirability. It would be ineffective if His Majesty's Government offered the same terms as we offer for our loans because it is inconceivable that when we are borrowing to the limit His Majesty's Government by offering the same terms in this country would raise any further rupees than we are doing ourselves. If, on the contrary, they were to offer more liberal terms by way of interest it would completely disorganise the interest rate structure in this country and upset the securities market.

THE HONOURABLE MR. HOSSAIN IMAM : But their credit may be higher than that of the Government of India.

THE HONOURABLE SIR CYRIL JONES : There is one other consideration which struck me and which I think I have not mentioned before, and that is, if India desires and intends to receive goods in payment for the supplies that she has rendered, is it better for the sterling to be held in the hands of the Reserve Bank available for the import of goods whenever and as soon as supplies offer or is it desirable that India's supplies should be paid for by rupee loans floated by His Majesty's Government in this country, which can only be paid on maturity of the loans and even then might well in accordance with precedent be paid for by the flotation of conversion loans?

THE HONOURABLE MR. G. S. MOTILAL : Rupee loans are better. They can be sold also.

THE HONOURABLE SIR CYRIL JONES : Well, I would suggest, Sir, that to have sterling available actually in the hands of the Reserve Bank when needed is a

far better and more liquid position for transferring that sterling into goods than merely to have the rupee obligations of His Majesty's Government which, as I say, would only be repaid on maturity and might then be repaid by the flotation of conversion loans. But, apart from that and the other reasons I have mentioned, the question of the United Kingdom or any other of the United Nations entering the Indian gilt-edged market and floating their own loans in this country is one which would not be in the interests of the country. It would certainly not be in the interest of institutional investors here, who already hold Indian securities to a very large extent. In this matter I have nothing further to add to what I have previously stated on the subject on several occasions in the past.

As regards the Resolution itself, Sir, I would merely repeat that the difference in approach and in the view-point of the Government and what is expressed in the Resolution is not so material that the Government would desire to oppose the passage of the Resolution.

MR. CHAIRMAN (the Honourable Mr. M. N. Dalal) : Resolution moved :—

“ This Council recommends to the Governor General in Council to send a deputation consisting of officials and representative non-officials to negotiate with His Majesty's Government for the liquidation of India's sterling balances in the post-war period.”

Question put and Motion adopted.

RESOLUTION RE EMIGRATION OF LABOUR TO BURMA, MALAYA, ETC.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadian) : Mr. Chairman, the Resolution that I desire to move runs as follows :—

“ This Council recommends to the Governor General in Council to take steps to evolve and announce, after full consultation with Indian opinion, and consistent with India's honour and self-respect, a policy regarding the conditions under which emigration of labour to Empire Colonies, such as Burma and Malaya, shall be permitted in future.”

I should like to say that though the terms of my Resolution may suggest that a new policy is needed, yet, in point of fact, if the House will look at section 10 of the Emigration Act, 1922, it will be seen that a policy regarding the control of emigration was evolved by the Government of India in that year. What I have therefore done is to suggest that the policy which was evolved in 1922 in the Emigration Act of 1922 should be hereafter consistently followed.

Before I go on to develop my argument, I would like to give a few facts about Malaya and Burma. The number of Indians in Malaya when Malaya was occupied by Japan was in the neighbourhood of 800,000. The number of Indian workers, that is to say, Indian unskilled labourers, was about 287,340. The number of their dependants was 140,523. The total number of Indians was 748,829. In Burma the number of Indian unskilled labourers and their dependants was 347,078. The total number of Indians was 1,400,523.

Now, I will not go into the question of the emigration of Indians to these countries. So far as Burma is concerned, we know that until 1937 when it was separated from India it was a part of India. So far as Malaya is concerned, I do not think it is necessary for me to go into the question of assisted emigration to that country. What we have to think of is not the past ; what we have to think of is the future. What is likely to be the future position in regard to Indian labour. Both Burma and Malaya—and these are the two countries that I particularly mention in my Resolution—will have to be rehabilitated after the war. Now, it is probable, it is extremely likely, it is almost certain, that the Governments of these countries will need the assistance of Indian labour to rehabilitate them. Shall we profit by our experience of how Indians were treated in these countries and try to protect their interests from now on, or shall we follow a policy of drift in regard to this question of Indian labour in Burma and Malaya ? That is, broadly speaking, the question which I have raised in my Resolution. I have no doubt that the Department of Commonwealth Relations is fully aware of the need of protecting the interests of such Indians as may be needed for the rehabilitation of Burma and Malaya. Therefore

[Mr. P. N. Saprú.]

the question is, what are the terms on which we shall allow Indian labour to be employed by the Burmese Government and by the Malayan Government and by other Governments in countries which are under the British Crown ?

It will be within the recollection of this House that in December, 1941, when the war in the Pacific came, nearly two million Indians living in those regions faced the greatest crisis of their lives. We know that while Europeans, and non-British Europeans also, were provided with facilities to evacuate, the Indians were almost left in the lurch, to look after themselves. We know that from Malaya not more than 5,000 out of the 800,000 Indians there at the time of the outbreak of the war were able to come away, although Singapore did not fall till about 67 days after the Japanese war broke out. We know that the Government of India's Agent was on leave in India at that time and his chief clerk was in charge of the Agency. The Agent was not sent back at that time to see what could be done to rescue the Indians who were in Malaya. We know, Sir, that the Colonial Office was only concerned with the safety of the white population, and that the Colonial Government of Malaya, only a few days earlier than the fall of Singapore, managed to evacuate all the European residents from Penang before the fall of that island. This was done in the case of European residents; the vast majority of the Indian residents were left to look after their own fate.

We also know, Sir, that this very Malayan Government had used Indian troops to shoot down Indian labourers because they had gone on strike and demanded higher wages. The Indian troops which we had sent to Malaya had been sent to defend that country against the Japanese, and not to shoot down Indians. And yet, Indian troops were employed to shoot down Indian labourers. We also know that from about the time of the great depression in 1929, we have had a very great deal of trouble with the Malayan Government in regard to the wages to be paid to the Indian workers. I shall not go into the history of that question. There are various stages connected with the question of the wages paid to the Indian workers in Malaya.

Another problem which faces our countrymen in Malaya and which partially faces them in the case of Burma also is the question of citizenship rights. That question also will have to be taken into consideration in the firm pursuit of an emigration policy consistent with the honour and self-respect of this country. We are not opposed to Indians going to all these countries for purposes of earning a livelihood. But we are opposed to their going to these countries on terms which are not consistent with the self-respect of this country. I think it is far better that you should not allow labourers to go to these countries at all than that you should allow them to go as second and third class citizens in the British Empire. Sir, we know that the majority of Indians resident in Malaya are labourers. The reconquest of Malaya is now in sight and it is, therefore, desirable that we should have some one from now to look after and protect their interests. The suggestion which I have to make in this connection is that the High Commissioner for Burma should be asked for the time being to act as the High Commissioner for Malaya also. I do not know how heavy the work of the High Commissioner for Burma is. But I make this suggestion tentatively as I am anxious that there should be some one from now and hereafter to look after the interests of the Indians resident in Malaya. We have a High Commissioner for Burma and the suggestion that I make is that this High Commissioner for Burma should act as High Commissioner for Malaya also. If you think that the work is too heavy for one man to do, then you may think of a separate Agent for Malaya, we have to remember that so far as Malaya is concerned, His Majesty's Government have committed themselves to a policy of what I would call progressive realisation of self-government. At any rate this is what they profess to say, viz., that they will lead that country also to self-government. It is necessary that the interests of Indians resident in Malaya or who may hereafter go to Malaya for service should be safeguarded by such bilateral arrangements as may be consistent with the honour and self-respect of this country. Sir, the Government of India should act on the principle that no emigration should be permitted to countries where the Indian community is not assured of the same rights, privileges and status as those which are enjoyed by other subjects of His Majesty. Sir, in urging this I am

not asking that the Government of India should have a new policy. What I am urging is that the Government of India should announce its firm determination to adhere to the policy that they will not allow either assisted or voluntary emigration of Indians until they are fully satisfied that the country to which the Indians emigrate either as short-term contract labourers or as emigrants has made a statutory provision to receive the emigrants, if they so desire, after their short-term contract is over as full fledged citizens of that country and that they and their descendants will receive the same treatment in all spheres of life as others from other parts of the British Empire. What we want is first class citizenship, equality of citizenship, not second class or third class citizenship. This kind of emigration will have to be regulated by bilateral agreements between our country and say, for example, the Malayan Government, or our country and say, for example, the Government of Burma. The initiative in regard to the proper selection, collection and transit of labourers to countries like Burma and Malaya for rehabilitation work must be in the hands of the Government of India and we should take steps to see that the Malayan Government has depots of its own for recruiting labour.

Sir, I will just say one or two words about the sending of labourers for specific short time work. The agreement should provide that they are sent for periods not exceeding three years. There must be precise agreement on wages. The rights and privileges of the workers in the country on emigration must be properly safeguarded in the agreement and there must be provision for the protection by the country to which they are sent of the welfare of the labourers. It is necessary to have a coherent and clear policy on the subject as the demand for such short time labour will, in the post-war world, increase, because countries like Burma and Malaya will need to be rehabilitated and they would like to have Indian labour to rehabilitate them. There is just an argument which I may notice in passing. It may be said that if we stipulate for a fair wage clause, that if we stipulate for the rights and privileges of Indians to be respected in these Agreements, these countries will not require Indian labour; they will do without Indian labour. We place *izzat* above pecuniary considerations or monetary benefit. But I do not think that there is any danger of these countries taking the line that we will not agree to a reasonable bilateral Agreement protecting the rights of labourers sent to these countries. We cannot use emigration for purposes of solving the population problem in this country. The number of emigrants who go out of this country is so small that it has no effect so far as the population in this country is concerned. Therefore, so far as we are concerned, it will not affect us if we take the line that we will not allow our labour to go except on reasonable terms; if you want our labour then you must pay our labour well. We do not want to be regarded as the suppliers of coolies for the various parts of the world. We want to be looked upon as a people who are in every way equal to the other peoples of the world. There is a question of honour involved and we have a right to see that those who leave the shores of this country are treated with proper respect, with proper consideration by those who want to use their labour for the development of their countries.

As I have said, the policy that I am asking the Government of India to follow is no new policy. It is a policy which it has accepted and what I am doing in this Resolution is to ask the Government to make it quite clear that it proposes to adhere in spirit and in law to that policy. The Government of India have recently appointed a Controller General of Emigration. This shows that the Government of India are alive to the importance of the emigration question. I am not going into the past, but unfortunately in the past the Government of India's policy was dictated or had to be dictated by the need of the white man for the intrinsic exploitation of colonial peoples. We allowed the Malayan Government, we allowed the Ceylon Government, to have their own immigration depots in our country. They used to send out their own agents to recruit labour from South Indian villages. When they did not need these labourers, they used to send them back to India just as sucked oranges. In future the immigration policy should pay the greatest attention to the self-respect of the people of this country. All other considerations must be subordinated to this one consideration, that the policy pursued is a policy in the interests of the people of this country, is a policy which the people of this country can regard as consistent with their self-respect.

[Mr. P. N. Saprú.]

Sir, I would like to quote Pandit Jawarharlal Nehru in this connection. He says :—

“ In our present stage of development, we are sensitive about the honour of our people especially outside the shores of India. I do not want Indians to go where they are not wanted but wherever they go, they should have the goodwill of the country to which they go and suffer no ill-treatment ”.

These are the words I would emphasise. “ They should have the goodwill of the country to which they go and suffer no ill-treatment ”. I think this should be the watchword of the policy that we pursue in the immediate post-war world and it is because I wanted to draw attention to the need for a clear enunciation of this policy that I have ventured to ask this House to take into consideration this question of Indian emigration.

So far as the terms of my Resolution are concerned, they are quite clear. I am asking the Governor General in Council to take steps to evolve—probably a policy has already been evolved—to evolve and announce their policy so that the people of this country may appreciate that the policy that the Government of India is following is one which is consistent with India's honour and self-respect. The policy should take into consideration the conditions which existed in Malaya and Burma before the war and should so far as the future is concerned ensure that those conditions do not exist in the post-war world.

Sir, with these words, I commend this Resolution to the acceptance of the House.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, I rise to support the Resolution so ably moved by my friend Mr. Saprú. The policy of the Government of India was announced long ago—if I remember aright in 1922 when the Emigration Act was passed. But we want to know how far that policy has been followed and how far the Government have been able to impress upon the Governments of Burma, Malaya and other countries to follow the policy that was announced so long ago. When the Emigration Act was passed, I believe the Member in charge then stated that the rights and privileges of people who are sent to these Colonies will be respected and that they will be treated as human beings ; but we know the unfortunate history of our people abroad. We know that we are treated worse than cattle. My Honourable friend Mr. Saprú has done a distinct service to Indian labour by bringing this Resolution at this time because as soon as 4 P. M. hostilities cease Burma, Malaya and other countries will require Indian labour for rehabilitating their industries. It is just possible that the Government of India may be forced by His Majesty's Government to supply Indian labour to these countries so that they may again build up their industries and their agriculture with the help of Indian labour.

THE HONOURABLE MR. P. N. SAPRÚ : Their rubber estates.

THE HONOURABLE MR. V. V. KALIKAR : Sir, we know that there are depots in India—I do not know whether those depots are working now—but there were depots in India from where labourers were sent for a particular period of time of work in Malaya, in Burma, etc., a fact to which reference was made by my Honourable friend Mr. Saprú. Though the labourers were sent to those countries only for a short term they were ill-treated. Their standard of living was neglected as they were paid low wages. They were not given the rights of full citizenship, not even the rights of half-citizenship if I may say so. They then went on strikes for remedying their legitimate grievances. They were shot down ; they were killed. Sir, I am one of those who think that Indian labour should not be exported to other countries, not even to Burma and Malaya, if our honour is not respected and we are not given full rights of citizenship in those countries. I think, Sir, that the Indian labourer should not hanker after money because he is not getting sufficient money here and that he should not go to Burma and Malaya to be treated worse than cattle.

So far as the question of Indians overseas is concerned I believe the Government of India and the people in this country see eye to eye with each other. But our past experience, Sir, has shown that the Government of India are not strong enough to

follow the policy that they laid down in 1922. This brings me to the question of a bilateral agreement referred to by my Honourable friend just now. I submit that if we are required to send our labourers to Burma and Malaya agreements should be entered into with the Governments of those countries so that our labourers who go there should be treated as human beings and also that they get their full citizenship rights there. If they are not to get their rights and privileges in those countries the Government of India must refuse the demand of those countries to send labour there.

Sir, we know that an agreement, which is called the Bajpai Agreement, was entered into with the Burma Government. Fortunately for us, Sir, here, we rejected that Agreement. We know the terms of that Agreement and if the Government of India were to enter into any sort of agreement just as they entered into with the then Burma Government that agreement would not be in consonance with the self-respect of India and, therefore, I submit, that the Government of India not only should evolve a policy as stated by my Honourable friend in his Resolution but they should take into consultation the public opinion of this country and as a Controller General for Emigration has been appointed his duty ought to be that he should consult public opinion and then frame a policy and announce it, which will be in the interest of the Indian labourers. If the Governments of those countries deny citizenship rights to our labourers, we should not go there simply as drawers of water and hewers of wood. We should go there as citizens. If they do not like us there, if they want us only for a particular period to do their work, we should better refuse labour to them.

Sir, I hope the Government of India will take into consideration the remarks made by my Honourable friend and the public feeling in this country and then and then only they should evolve a policy which will be in the interest of the Indian labourers.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras; Muhammadan): The Honourable Mr. Sapru deserves well of this House and of the country for bringing before the Council a matter which has always been of importance to this country and which in the near future is going to be of much increasing importance. Sir, I feel that in giving my support to the Resolution it is not necessary for me to make a very long speech, because most of the reasons that justify the demand which has been made in this Resolution have been advanced either by the Honourable the Mover or by the Honourable Mr. Kalikar who has spoken in support of it. I should like to make this observation that from what has just been said here and from what has transpired in this House during the last two or three years, during which this question of the conditions of our nationals abroad has been a vexed question with us, during all those years the discussions that have been taking place in this House and in another place have made two points perfectly clear and they are these: that the policy which the Government of India had evolved some time ago in connection with the emigration of Indians to countries abroad, however good and satisfactory it might have been in its conception, has not been adhered to by the Government of India. Secondly, Sir, the people who are allowed to go out of India and are helped with a view to eke out their livelihood, after all do not fare well in the long run. They are cut off from their mother country and also refused the natural rights that belong to people who go and settle there, although for the time that they are there they identify themselves with the interests of the country of their adoption. Therefore, Sir, it is perfectly clear that the condition in which our people are found in other Empire countries, like Burma, Malaya, Ceylon, South Africa, is far from being satisfactory, is anything but in keeping with the honour and self-respect of India. It is therefore necessary, I would go a step further and say that it is incumbent upon the Government now at least to review the whole situation in the light of the experience that they have gained ever since this policy of emigration was formulated and to decide upon the course of action which they should try to adhere to in future.

As has been stated by the previous speakers, this is just the time to take up this matter for decision, because just after the cessation of hostilities it will be necessary for most of the Empire countries to requisition labour from India as they have been

[Saiyed Mohamed Padshah Sahib Bahadur.]

doing whenever there has been need for it. In view of these facts, it is perfectly clear that the necessity for taking action as has been suggested by the Honourable the Mover, is really grave and urgent.

Sir, it is the failure of the Government of this country—whether deliberate or not, whatever the cause—to adhere to this policy that has been the cause of what we find in the countries of the Empire—the cause of the unhappy plight in which our countrymen abroad find themselves. Instances are not wanting to show that these countries, which had invited Indian labour, which had begged of the Indian Government to send them help in this respect,—that all that these countries did was to exploit Indian labour. When once the need was satisfied, when the Indian had done his part, and done it quite honestly and honourably, they showed him the cold shoulder. Not only that, but much worse than that : they took from the Indian labourer all that he was capable of giving, and they paid him dog's wages. It is not necessary for me to recount all the hardships, indignities, injustices and sufferings that have been heaped upon the devoted heads of the Indians who have done so much, who have laboured so hard and so honestly to develop the resources of every country to which they have emigrated. It is also not necessary to recount the utter ingratitude which those countries showed to them after they had got the best out of the Indian labourers. As has been stated by my Honourable friend Mr. Sapru, even though the Government of India has been following a policy of drift in this matter, the one thing which they consistently did in regard to this matter was the consideration of the needs of the white settlers in those countries. If anything invariably and always influenced the Government of India in taking any course of action in this respect, it was the consideration of the requirements of the white settlers in those countries. However I am glad to admit that there has been a change, a welcome change, in the attitude of the Government of India during recent times—during the last two years or so, the Government have been getting more and more alive to their responsibility to their duty of doing what they can to safeguard the just rights of these poor emigrants.

Therefore, Sir, it is high time that in the light of the experience that we have gained, and also because of the awakening, the very welcome awakening, which we find now in the Government of India as regards this matter, necessary steps were taken. This is just the moment when the necessary steps should be taken to reiterate that policy, to determine the course of action, and also at the same time to ensure that there is no departure from this course of action in any circumstances whatever and that whenever Indian labour is sent out to any country it is sent with definite stipulations that it will have a respectable existence so long as it stays in that country and the conditions in which it is made to live there are such as will be not only comfortable and decent to the people that are there but will also be in keeping with the honour and self-respect of the mother country.

THE HONOURABLE MR. R. N. BANERJEE (Commonwealth Relations Secretary) : Sir, with the strides which the liberation of the countries occupied by the enemy in the Far East is making, I take it that a discussion of the question of Indian emigration to the Empire colonies must be very welcome to this House and to the Indian public in general. Personally, Sir, I can certainly say that Government welcome this discussion. I also greatly appreciate the active interest which the Honourable the Mover of the Resolution takes in matters affecting Indian interests overseas and the persistence with which he keeps the Government and the public up to the mark in these matters. But, Sir, I hope I will not be misunderstood if I say that, so far as the Government of India are concerned, even without any such reminder they continue to be alive to their responsibilities in this most important matter.

Government do realise that Indian emigration should not be allowed except on such conditions as satisfy public opinion. Government is already pledged to such a policy, and in fact ever since the Indian Emigration Act was passed in 1922 Government have laid on themselves an obligation, a statutory obligation, to allow emigration of Indian labour only on conditions approved by the two Chambers of our

Legislature. Section 10 of the Emigration Act perhaps will bear quotation. That section says :—

(1) Emigration, for the purpose of unskilled work, shall not be lawful except to such countries and on such terms and conditions as the Central Government, by notification in the Official Gazette, may specify in this behalf.

(2) No notification shall be made under sub-section (1) unless it has been laid in draft before both Chambers of the Central Legislature and has been approved by a resolution of each Chamber, either without modification or addition, or with modifications and additions to which both Chambers agree, but, upon such approval being given, the notification may be issued in the form in which it has been so approved.

The House will see that it is not only out of deference to public opinion but also as a statutory obligation that Government have to frame their emigration policy in consultation with the Indian public. An amendment was made to the Act in 1939 by which the provisions of section 10 were also applied to what is called unassisted emigration. The House is also aware that a Standing Committee of members of both the Chambers has been in existence ever since 1923 to advise Government on all matters affecting Indian emigration. This body consists of experts like my Honourable friend the Mover of the Resolution ; and Honourable Members are aware that the Department has been in frequent consultation with this body as regards every major question affecting Indian emigration.

In accordance with this policy, Government have evolved certain general conditions on which Indian emigration should be allowed. Our policy so far has been to ensure that these conditions are such that labour is properly recruited and is properly forwarded and on arrival at the destination is properly treated. Very detailed rules have been framed under the Act providing for all these stages of emigration. Satisfactory conditions in the country to which Indian labour emigrates have been interpreted by us to mean not only reasonable working conditions—good wages, medical attention, and proper housing—but also the political status of our labour. We have always insisted on our labour being treated on a footing of perfect equality with other British subjects resident in the country to which they emigrate. Not only that, Sir. Our policy has also been to leave the door open for suitable quotas of Indian elements other than labour proceeding to and settling down in these countries, not only to cater for the needs of the emigrants and the labouring classes but also to provide a certain background of culture and social life. Government continue to follow this policy and I can assure the Honourable Mover of this Resolution that there will be no falling off in Government's earnestness in this respect.

The Honourable Mover requests that Government should evolve and announce a policy. Sir, our policy so far has been formulated in consultation with elected representatives of the public. We have insisted on not only reasonable working conditions for our labour but also on their political status being the same as that of all other British subjects in the country to which they emigrate. We have also insisted on such countries accepting a reasonable share of Indian population other than labour. Is it, Sir, really feasible to evolve a hard and fast policy and announce it for all time to come ? I hope, Sir, the House will realise that such a course is not only not feasible but may not be exactly in our own interest. Political conditions, international conditions and our relations with these countries are obviously changing. Our policy in respect of emigration to any particular country will, therefore, have to be regulated and modified in accordance with the status of Indians in that country and also with the attitude of the Government of that country and our general relations with the people of that country. To the extent, therefore, to which general international relations and our relations with these Empire countries remain fluid, our emigration policy must also be fluid. We must be left free to determine our policy on the basis of conditions prevailing from time to time. Our policy may require adjustment. Not only the Honourable Mover but other Honourable Members who have spoken on the Resolution have said a great deal about the past policy of drift on the part of the Government in this matter. It is often not realised that our emigration policy has repercussions on the Indian population already settled in those countries more or less permanently. If it were a question of deciding whether a certain number of Indian labourers should be allowed to proceed to Burma or Malaya within the next two years, the problem would have been simple enough. But

[Mr. R. N. Banerjee.]

as the House is aware, the problem is not so simple as that and Government's efforts to effect an improvement in this matter have not been successful, partly owing to two unfortunate facts. It is only in recent years that unmistakable pronouncements of the kind that have been made in the House today to the effect that Indian labour should not be sent out of the country unless such labour can proceed to any country on our own terms, have been made. But, Sir, as Honourable Members of the House will recall, until recently, the non-labour element of Indian immigrants did not take particular care to ensure reasonable working conditions for Indian labour in these countries. The other important fact is this. Not only Indian labour but some Indians of the professional and commercial classes proceed to certain Empire countries, places like Burma and Malaya, settle there for many years and then call upon the Government of India to obtain for them political rights in that country while they retain their political association with this country as well. That, Sir, you will agree, complicates the position and I think these two facts have been partly responsible for our not being able to implement both in letter and spirit, as the Honourable Member said, the policy the substance of which was formulated soon after the enactment of the Emigration Act. I hope, Sir, I have explained that it is neither feasible nor wise to evolve any detailed policy, apart from laying down the general conditions on which we must insist. I take the substance of the immediate demand made in the course of the debate to be that effective measures should be taken to ensure that Indian labour is allowed to proceed to Burma and Malaya only on our own terms. I can give the assurance that that is being done. The Honourable Mover himself is aware that we had protracted consultations not only with our Standing Emigration Committee but with leading representatives of Indian interests in Burma and discussed at very great length the proposals that we have before us on the question of the future immigration of Indian labour into Burma. I would also inform the House that we have had preliminary consultations with representatives of the Colonial Office as regards the resumption of Indian immigration into Malaya, and I can assure the House that we have made it clear in no unmistakable terms that resumption of immigration would be possible only on adequate guarantees being given of reasonable working conditions, including a guarantee that in any political advancement that may take place in Malaya Indians must be treated on a footing of perfect equality with other British subjects and must be given every opportunity to play their part.

I hope, Sir, that the Honourable Member is satisfied that Government has been following, particularly since the Emigration Act was passed, exactly the policy which he has outlined in the House today. I also hope that I have satisfied him that Government is fully alive to their responsibility in respect of safeguarding the interest of Indian labour in the period immediately following the reoccupation of Burma and Malaya. With this explanation of the views of Government, I hope the Honourable Member will not feel it necessary to press his Resolution. In any case I have no desire to oppose it.

***THE HONOURABLE MR. P. N. SAPRU :** Sir, I made it perfectly clear that I do not wish to withdraw this Resolution and as the Honourable Member has made it clear that Government is not going to oppose this Resolution, which means that this Resolution will have a safe passage through this House—this Resolution is only an affirmation of faith—no harm will be done if this Resolution is passed by the House. Some good may result by the House passing this Resolution and no harm will be done if I do not withdraw this Resolution.

In my opening speech I referred to section 10 of the Emigration Act of 1922 and I also quoted from the late Sir B. N. Sarma's speech of 1922. I think I did not mention his name, but there was a quotation from his speech. I know that Government did evolve a policy in 1922 and I was careful to say that there was a policy already in existence and that I was not in fact suggesting any new policy. You may say that the wording of my Resolution is open to the objection that it contemplates a new policy. I anticipated that argument. In fact what I wanted to press was that Government should in view of the fluid inter-national situation and the need that will

*Not corrected by the Honourable Member.

arise thereafter for rehabilitating Burma and Malaya announce the old policy in new terms. I am glad that my Resolution has given an opportunity to the Honourable Mr. Banerjee to make the position of the Government of India clear in regard to the policy that it proposes to follow in respect of Indian immigration into Burma and Malaya. If I understand him correctly, the position is this. The Government of India propose to adhere in letter and in spirit to the policy which was enunciated by the late Sir B. N. Sarma in 1922. Of course each country will have to be dealt with separately. It may be necessary to modify your policy here and there in respect of each individual country. They propose to adhere in letter and spirit to the policy which was enunciated in 1922. In other words, they propose to protect the rights of Indian labour; they propose to see that Indian labour gets a fair wage, that it is provided with decent housing conditions, that it is provided with facilities for medical treatment and that it is treated in other respects on a footing of equality with labour from other parts of the Empire. The Honourable Mr. Banerjee also indicated that they would secure this immigrant labour not only protection so far as wages and treatment were concerned but also equality of political rights. They attach importance to equality of political rights also. He also referred to the need of protecting the rights of the non-labour population. So far as the statement which he made is concerned, I would say it is satisfactory and I have nothing to quarrel with the statement of policy which he made today. I understand that the Government of India is already in consultation—I think this is what he said—with the Colonial Office so far as immigration to Malaya is concerned. The object of my Resolution was to draw attention to the problem which will face this country so far as Indian labour for rehabilitating Malaya and Burma is concerned, and what I wanted to (my basic) was that Indian labour should not be used for rehabilitating these countries without proper guarantees being taken to ensure that it shall be treated with consideration and justice. Now that object has been achieved so far as this Resolution is concerned it has enabled the Honourable Mr. Banerjee to enunciate in clear terms what the policy that the Commonwealth Relations Department intends to pursue in regard to the demands for Indian labour for rehabilitating Burma and Malaya is. It has enabled him to assure this House that it proposes to adhere in letter and in spirit to the policy which was evolved in 1922. In fact that policy which was evolved in 1922 was not followed—I do not blame the Government of India, which is not, I may say with all respect, as free an agent as it should have been—but what we have guarantee today is that it will be pursued with vigour hereafter, and the main object of my Resolution has therefore been achieved. I should like to make it clear that in asking the House to accept my Resolution I do not ask it to adhere to the letter of my Resolution. Perhaps the terms of the Resolution are not as clear as they should have been. I wanted to adhere to the spirit of my Resolution. I mean that in voting for this Resolution the House will not be voting for the letter of the Resolution but for the spirit underlying it and with the spirit of the Resolution I take it that the Honourable Mr. Banerjee has no quarrel.

With these words, Sir, I would ask you to put this Resolution to the vote of the House.

THE HONOURABLE MR. R. N. BANERJEE : I should just like to mention that we have started action for the appointment of an Agent for Malaya also.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : Is he going to be termed "Agent" or "Representative"?

THE HONOURABLE MR. R. N. BANERJEE : We had the post of an Agent before the war with the concurrence of the Colonial Office and I think for the present all we need is to revive that post. The question of raising the status of that post to that of Representative may be taken up later on.

THE HONOURABLE MR. P. N. SAPRU : When the status of Malaya is raised?

MR. CHAIRMAN (the Honourable Mr. M. N. Dalal) : Resolution moved:—

"This Council recommends to the Governor General in Council to take steps to evolve and announce, after full consultation with Indian opinion, and consistent with India's honour and self-respect, a policy regarding the conditions under which emigration of labour to Empire Colonies such as Burma and Malaya, shall be permitted in future."

Question put and Motion adopted.

STATEMENT OF BUSINESS

MR. CHAIRMAN (the Honourable Mr. M. N. Dalal) : Has the Leader of the House any statement to make ?

THE HONOURABLE SIR MAHOMED USMAN (Leader of the House) : May I suggest that the seven Bills that have been placed on the table of the House may be taken into consideration on Wednesday, the 11th April, at 11 a.m.?

MR. CHAIRMAN (the Honourable Mr. M. N. Dalal) : I think that is a good suggestion.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Why do you want these Bills to be taken up on the 11th ? Is it not possible to take them up earlier than the 11th because some of us might be leaving before the 11th.

THE HONOURABLE SIR MAHOMED USMAN : When are you leaving ?

THE HONOURABLE MR. P. N. SAPRU : I am hoping to leave on the 10th. I do not think we will wait for business to come from the other House.

THE HONOURABLE SIR MAHOMED USMAN : We have got seven Bills and have to dispose of them.

MR. CHAIRMAN (the Honourable Mr. M. N. Dalal) : I think the House is agreed that we meet on the 11th.

THE HONOURABLE SIR MAHOMED USMAN : I think the best thing is to adjourn the Council till Wednesday, the 11th because in addition to these seven Bills there may be some other work.

MR. CHAIRMAN (the Honourable Mr. M. N. Dalal) : I agree.

The Council then adjourned till Eleven of the Clock on Wednesday, the 11th April, 1945.