

28th March 1940

THE
LEGISLATIVE ASSEMBLY DEBATES

Official Report

Volume III, 1940

(27th March to 6th April, 1940)

ELEVENTH SESSION
OF THE
FIFTH LEGISLATIVE ASSEMBLY,
1940

27-10-84
45-89
12-4-83
B
LIBRARY



PUBLISHED BY THE MANAGER OF PUBLICATIONS, DELHI.
PRINTED BY THE MANAGER, GOVERNMENT OF INDIA PRESS, SIMLA.

1940

13

M2LAD

B

Legislative Assembly.

President :

THE HONOURABLE SIR ABDUR RAHIM, K.C.S.I.

Deputy President :

MR. AKHIL CHANDRA DATTA, M.L.A.

Panel of Chairmen :

DR. SIR ZIAUDDIN AHMAD, C.I.E., M.L.A.

MR. M. S. ANEY, M.L.A.

SIR COWASJI JEHANGIR, BART., K.C.I.E., O.B.E., M.L.A.

MR. A. AIKMAN, C.I.E., M.L.A.

Secretary :

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

Assistants of the Secretary :

MR. M. N. KAUL, BAR.-AT-LAW.

KHAN SAHIB S. G. HASNAIN.

Marshal :

CAPTAIN HAJI SARDAR NUR AHMAD KHAN, M.C., I.O.M., I.A.

Committee on Petitions :

MR. AKHIL CHANDRA DATTA, M.L.A., *Chairman.*

MR. A. AIKMAN, C.I.E., M.L.A.

SYED GHULAM BHIK NAIRANG, M.L.A.

MR. N. M. JOSHI, M.L.A.

SIR ABDUL HALIM GHUZNAVI, M.L.A.

CONTENTS.

VOLUME III.—27th March to 6th April, 1940.

	PAGES.		PAGES.
WEDNESDAY, 27TH MARCH, 1940,—		MONDAY, 1ST APRIL, 1940,—	
Starred Questions and Answers	1791— 1803	<i>contd.</i>	
Resolution <i>re</i> —		Unstarred Question and Answer	1994—95
Enactment of Labour Legislation on certain lines—		Transferred Starred Questions and Answers	1995— 2002
Withdrawn	1803—19	Transferred Unstarred Questions and Answers	2002—11
Removal of disabilities of Indians in the British Commonwealth of Nations—		Election of the Central Advisory Council for Railways	2011—12
—Adopted	1819—39	The National Service (European British Subjects) Bill—	
Utilization of the Kamran dues for the accommodation of Pilgrims—	1839—52	Passed as amended	2012—48
Fiscal Policy of the Government of India—		The Defence of India (Amendment) Bill—	
Discussion not concluded	1852—53	—Discussion on the motion to consider not concluded	2049—63
THURSDAY, 28TH MARCH, 1940,—		TUESDAY, 2ND APRIL, 1940,—	
Starred Questions and Answers	1855—69	Members Sworn	2065
Statements laid on the Table	1869—74	Starred Questions and Answers	2065—73
Election of the Standing Committee on Emigration	1874	The Parsi Marriage and Divorce (Amendment) Bill—	
Message from the Council of State	1874	Passed	2073
The Indian Finance Bill—		The Indian Tea Control (Amendment) Bill—	
Discussion on the consideration of clauses not concluded	1875— 1921	Introduced	2073—74
FRIDAY, 29TH MARCH, 1940,—		The Indian Railways (Amendment) Bill—	
Starred Question and Answer	1923	Introduced	2074
Unstarred Questions and Answers	1924—27	The Defence of India (Amendment) Bill—	
Election of the Standing Finance Committee for Railways	1927	Passed	2074—94
Election of the Standing Finance Committee	1928	The Agricultural Produce Cess Bill—	
The Defence of India (Amendment) Bill—		Passed as amended	2094— 2120
Introduced	1928	The Insurance (Amendment) Bill—	
The Indian Finance Bill—		Passed as amended	2120—26
Passed as amended	1928—64	The Excess Profits Tax Bill—	
Demands for Supplementary Grants	1964—78	Amendments made by the Council of State agreed to	2126—27
Statement of Business	1978—79	THURSDAY, 4TH APRIL, 1940,—	
MONDAY, 1ST APRIL, 1940,—		Member Sworn	2131
Member Sworn	1981	Starred Questions and Answers	2131—32
Starred Questions and Answers	1981—93	Unstarred Questions and Answers	2132—33
Short Notice Question and Answer	1993—94	Transferred Starred Questions and Answers	2134—42

PAGES.	PAGES.
THURSDAY, 4TH APRIL, 1940,— <i>contd.</i>	FRIDAY, 5TH APRIL, 1940,— <i>contd.</i>
Statement laid on the Table <i>re</i> Lowest Tenders not accepted by the High Commissioner for India in purchasing Stores for the Government of India. 2142—45	The Code of Criminal Procedure (Amendment) Bill—(Amend- ment of Section 205)— Appointment of certain Members to the Select Com- mittee 2205
Message from the Council of State. 2146	The Drugs Bill—Passed as amended 2206—52
The Factories (Amendment) Bill—Amendments made by the Council of State agreed to 2146	The Indian Mines (Amendment) Bill—Passed 2252—60
The Indian Tariff (Amendment) Bill—Passed 2147—56	The petroleum (Amendment) Bill—Discussion on the motion to consider not con- cluded 2260—61
The Indian Tariff (Second Amendment) Bill—Passed . 2156—66	SATURDAY, 6TH APRIL, 1940,—
The Drugs Bill—Discussion on the motion to consider not concluded 2166— 2204	Statements laid on the Table . 2263—74
FRIDAY, 5TH APRIL, 1940,—	Message from the Council of State. 2274
Member Sworn 2205	The Petroleum (Amendment) Bill—Passed 2274—75
The Code of Criminal Procedure (Amendment) Bill—(Amend- ment of Section 386)— Appointment of certain Members to the Select Committee 2205	The Motor Vehicles (Amend- ment) Bill—Passed 2275—77

LEGISLATIVE ASSEMBLY.

Thursday, 28th March, 1940.

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

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS.

ALLOCATION OF QUOTA OF PILGRIM TRAFFIC TO SHIPPING COMPANIES.

†544. *Maulana Zafar Ali Khan: Will the Secretary for Education, Health and Lands please state if it is a fact that Government allocated 75 per cent. and 25 per cent. of the Pilgrim Traffic between the Mogul Line and the Scindia Line, respectively, this year on the basis of seven ships of the former and three ships of the latter?

(b) How many ships did the Mogul Line actually use this year for carrying pilgrims from Bombay and Karachi to Jeddah, and what were the names of those ships?

(c) Is it a fact that last year the Scindia Line carried 23 per cent. of the Pilgrim Traffic with two ships only?

(d) Is it a fact that, as there was no other ship ready, the Mogul Line carried 10 per cent. more pilgrims than the steamer's maximum carrying capacity, in their last steamer "Rizwani"?

(e) If the Mogul Line were going to employ only three ships on the Haj run, why did Government not accept the Scindia Line's proposal for alternate berthings?

Sir Girja Shankar Bajpai: (a) Yes.

(b) Three ships, viz., "Islami", "Rizwani" and "Khosrou".

(c) Yes.

(d) The attention of the Honourable Member is invited to my reply to part (d) of Khan Bahadur Shaikh Fazl-i-Haq Piracha's starred question No. 236.

(e) The number of ships to be berthed by the Mogul Line was not limited in advance to three. Only three ships were employed by the Company because, in the course of five sailings performed by those ships, they were able to carry all the pilgrims.

HELP TO INDIAN SHIPPING.

†545. *Maulana Zafar Ali Khan: Will the Secretary for Education, Health and Lands please state what steps Government have taken, or if they have not taken yet, propose to take, to further the cause of Indian shipping both in the coastal as well as overseas trade?

†Answer to this question laid on the table, the questioner being absent.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The steps taken by Government to assist the development of Indian shipping have been explained on more than one occasion in the past. The attention of the Honourable Member is invited in this connection to the answer given to part (c) of question No. 1753 by Mr. T. S. Avinashilingam Chettiar, and the supplementary questions and answers arising therefrom, on the 5th December, 1938.

OPENING OF A DEGREE COLLEGE IN NEW DELHI.

546. *Mr. Muhammad Azhar Ali: Will the Education Secretary please state if it has been ever considered to open a Degree college in New Delhi for the wards of children of the residents of New Delhi? If so, when and with what results, and, if not does he propose to consider this now and establish an up-to-date college for boys in New Delhi? If not, why not?

Sir Girja Shankar Bajpai: Before the establishment of the Delhi University there was a proposal to transfer St. Stephen's College from Old to New Delhi. The establishment of the University, however, has altered the situation. The scheme for the development of the University, which has recently been approved in principle by the Government of India, requires that the University and its constituent colleges should be in close proximity to each other. It is not, therefore, possible to establish a college in New Delhi away from the University Area.

Dr. Sir Ziauddin Ahmad: If there be any demand from the people residing in New Delhi to establish a college here in order to save their children from travelling about 12 miles every day, will Government accept the proposal?

Sir Girja Shankar Bajpai: No, Sir, unless Government were also prepared to let this particular college affiliate itself with an outside University, which they are not. And as regards the journey of 12 miles, I may inform my friend that my own son who studies at St. Stephen's College goes not by car, but by bus every morning to the College.

Dr. Sir Ziauddin Ahmad: May I know, Sir, when deciding the factor that all the colleges should be shifted to an out of the way place, that is, the Government House, did Government consider that a new college might come into existence later in New Delhi or even in Old Delhi?

Sir Girja Shankar Bajpai: My Honourable friend is aware of the fact that for purposes of education people go hundreds of miles in order to attend a college or join a college, and I don't think it is a particular hardship for students from New Delhi to go to Old Delhi when there is a good communication service.

Dr. Sir Ziauddin Ahmad: My Honourable friend in reply to my question is confusing the two words,—the colleges in England are very different from the colleges out here

Mr President (The Honourable Sir Abdur Rahim): The Honourable Member is making a speech.

Dr. Sir Ziauddin Ahmad: But I want to correct him, Sir. . . .

Mr. President (The Honourable Sir Abdur Rahim): He is making a speech; he must put a question if he wants information.

Dr. Sir Ziauddin Ahmad: Is the Honourable gentleman aware of the fact that students in colleges in Europe are much more advanced in age than students in colleges in India where they begin at the age of 13 or 14?

Sir Girja Shankar Bajpai: If my friend had paid some attention to the scheme for the reform of the Delhi University

Dr. Sir Ziauddin Ahmad: I do not want an explanation; I want a reply

Mr. President (The Honourable Sir Abdur Rahim): Order, order; let the Honourable Member reply.

Sir Girja Shaikar Bajpai: Well, Sir, my friend says he wants a reply to his question. That is what I am attempting to give. I was saying that if he had been good enough to read the scheme of reform of the University, he would have found that we are contemplating a three years' degree course, which means that boys will go to this University when they have reached the age of 18 or 19.

LOCATION OF A TUBERCULOSIS CLINIC IN KAROL BAGH, DELHI.

547. ***Mr. Muhammad Azhar Ali:** (a) Is the Education Secretary aware that plots of lands for building purposes were disposed of or sold by the Delhi Improvement Trust quite recently in Karol Bagh, Delhi?

(b) Is he aware that there is great resentment among those who have bought the plots over the decision of the Trust to allot a piece of land for a Tuberculosis Clinic in a populated area?

(c) Is he aware that no public announcement or notice was issued by the Trust before the plots were sold out regarding the allotment of a site for Tuberculosis Clinic in the area?

(d) Is he also aware of the apprehensions and fears of the public who will be living round the clinic, and how does he propose to satisfy them?

(e) Were any representations from the public received by the Delhi Improvement Trust, or the Chief Medical Officer of Health, Delhi, and were the objections raised therein examined by the Tuberculosis experts? If not, why not? If so, what was their opinion?

(f) What are the reasons for not acceding to the demand of the public to shift the present site of the clinic to a remote and lonely place?

(g) Have Government considered whether it will not be desirable to have such clinics in the towns at a distance of at least 1,000 yards from a residential house? If not, what are the opinions of the Public Health Commissioner and other Tuberculosis experts in regard to the distance that it should have from a habitable place, and does he propose to lay down such restrictions on the locations of clinics? If not, why not?

(h) Does he propose to have the location of the Tuberculosis clinic in Karol Bagh shifted from the present site to a place far away from the populated area? If not, what are the difficulties, administrative or otherwise?

Sir Girja Shankar Bajpai: I have asked for certain information and shall furnish replies in due course.

APPOINTMENTS MADE IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI, BY THE ASSISTANT MANAGER.

†548. ***Haji Chaudhury Muhammad Ismail Khan:** (a) Will the Honourable the Labour Member be pleased to state whether Managers of the Government of India Presses are authorised to delegate to Assistant Managers their powers of making appointments of industrial staff?

(b) If the reply to part (a) be in the negative, will Government be pleased to state why selections/appointments in the Government of India Press, New Delhi, are made by the Assistant Manager? What are the special reasons justifying a departure from the general rule in this case?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) No.

(b) Appointments are made by the Manager. Reports by the Assistant Manager are, however, considered before any workman is engaged. The second part does not arise.

NON-CONSIDERATION OF MUSLIMS FOR APPOINTMENTS IN UNRESERVED VACANCIES IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

†549. ***Haji Chaudhury Muhammad Ismail Khan:** (a) Will the Honourable Member for Labour state whether it is a fact that Muslims are not considered for appointment in unreserved vacancies in the Government of India Press, New Delhi? If so, why?

(b) If the reply to part (a) be in the negative, will Government be pleased to state how many Muslims have been appointed to unreserved permanent vacancies of compositors, copy-holders and Lino and Mono operators in the said Press during the year 1939?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) No. The second part of the question does not arise.

(b) Two Muslims were appointed against permanent unreserved vacancies of compositors.

OFFERING OF VACANCIES RESERVED FOR MUSLIMS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI, TO NON-MUSLIMS.

†550. ***Haji Chaudhury Muhammad Ismail Khan:** (a) Will the Honourable the Labour Member please state whether it is a fact that vacancies reserved for Muslims in the Government of India Press, New Delhi, are offered to non-Muslims even when suitable Muslim candidates are forthcoming? If so, why?

†Answer to this question laid on the table, the questioner being absent.

(b) Is it also a fact that last year a vacancy of type-supplier in the said press reserved for a Muslim was in the first instance offered to a Hindu? If so, why, and what steps do Government propose to take to avoid repetition of such breaches of the Government of India standing orders?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) No.

(b) The vacancy referred to was a temporary vacancy of less than three months' duration and to it a Muslim was eventually appointed. The orders regarding communal representation are not obligatory in such cases, but the Controller's attention is being drawn to the desirability of observing them except when a candidate from a minority community is not readily available.

EMPLOYEES IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI, SUFFERING FROM LEPROSY.

†551. ***Haji Chaudhury Muhammad Ismail Khan:** (a) Will the Honourable the Labour Member please state whether it is a fact that certain employees of the Government of India Presses, Simla and Calcutta, were removed from service because they were suffering from leprosy?

(b) Is it a fact that certain employees of New Delhi Press are suspected to be suffering from this infectious disease?

(c) Are Government prepared to arrange for the medical examination of all such suspected persons to check the spread of the disease?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) One employee of the Calcutta Press was invalidated from service in 1933 because he was suffering from leprosy.

(b) No.

(c) Does not arise.

ERECTION OF A PLANT BY THE IMPERIAL CHEMICAL INDUSTRY AT GOVERNMENT EXPENSE.

552. ***Dr. Sir Ziauddin Ahmad:** (a) Will the Honourable the Leader of the House please state whether it is not a fact that, (*vide* Administration Report of the Director of the Contract, 1938-39), Government have asked the Imperial Chemical Industry to erect at the expense of Government a plant costing three lakhs of rupees at Resipra (Calcutta) and they are entering into contract by which Government will pay a subsidy of five lakhs a year?

(b) Is it not a fact that Metro-Dam and Mysore Government were willing to erect the same plant at their own expense and demanded no subsidy, in case Government were willing to make purchases from them? Will Government be pleased to state why they adopted the course which was more expensive to tax-payers?

†Answer to this question laid on the table, the questioner being absent.

The Honourable Sir Muhammad Zafrullah Khan: (a) Discussions are going on with Messrs. Imperial Chemical Company with a view to the erection of a plant for making bleaching powder, but no decision has been arrived at and no such suggestion as that referred to by the Honourable Member has been made.

(b) The Mysore Government thought of erecting a plant primarily for the purpose of producing caustic soda. They offered also to produce bleaching powder and asked the Government to take a certain quantity every year but the Government could not agree to this as their peace-time requirements were negligible.

The Mettur Chemical and Industrial Corporation, Limited, had a proposal for manufacturing bleaching powder but could not raise sufficient capital to complete the erection of their plant. As already indicated, no decision has been arrived at by Government, but the Honourable Member may rest assured that the interest of the tax-payer is one of the most important considerations that is being kept in mind.

Dr. Sir Ziauddin Ahmad: May I know whether the Honourable Member will consult the Standing Finance Committee before sanctioning the subsidy mentioned in part (a) of the question?

The Honourable Sir Muhammad Zafrullah Khan: No, Sir.

Dr. Sir Ziauddin Ahmad: Will the expenditure be made without reference to the Standing Finance Committee?

The Honourable Sir Muhammad Zafrullah Khan: I do not know whether any particular expenditure will be involved.

Dr. Sir Ziauddin Ahmad: This will be a new expenditure of a subsidy of five lakhs. . . .

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

SUPERINTENDENT OF ARCHAEOLOGY, LAHORE CIRCLE.

553. *Shaikh Rafiuddin Ahmad Siddiquee: (a) Will the Education Secretary be pleased to state who the permanent Superintendent of Archaeology in charge of the Lahore Circle is?

(b) When was he appointed in this Circle?

(c) What is the number of employees in the Archaeological Circle whose increment he stopped? How many of them were Muslims?

(d) How many employees, including menials, did he dismiss or discharge, and how many of them were Muslims?

(e) How many temporary and permanent appointments were made by him and how many of them were Muslims?

Sir Girja Shankar Bajpai: (a) to (e). The attention of the Honourable Member is invited to the reply to starred question No. 969 by Mr. Muhammad Nauman on the 10th March, 1939. Since that date four employees

have been discharged. Of these, two were Muslims, one Sikh and one Hindu. Six persons have been appointed and of these two were Muslims, two Sikhs and two Hindus.

UNORTHODOX 'C' TYPE QUARTERS IN NEW DELHI.

554. *Pandit Krishna Kant Malaviya: (a) With reference to the reply given to starred question No. 161 on the 24th February, 1940, will the Honourable Member for Labour please state the names of all the Departments, the staff of which is entitled to Government accommodation, and how many from each office have asked for 'C' type of unorthodox quarters in Delhi during the present year?

(b) What is the number of such quarters allotted to the staff of each of such Departments or offices, what percentage does it form to the total number of quarters and the establishment of that class in each office, and how does that compare with that of the Central Public Works Department?

Mr. P. M. Menon: (a) and (b). The information is not readily available and its collection would not justify the labour involved. I may however state that the allotments of houses under the allotment rules are on an individual basis and not on a pro-rata basis to Departments.

AMENDMENT OF ALLOTMENT RULES OF QUARTERS IN NEW DELHI.

555. *Pandit Krishna Kant Malaviya: (a) With reference to the reply to starred question No. 316 on the 8th March, 1940, is the Honourable the Labour Member aware that the allotment of quarters in New Delhi, is still being made, and has not yet been issued to the Departments?

(b) Is he aware that, as a result of the recent amendment of the rules for the allotment of Government quarters in New Delhi, a person will not be ousted from his quarters until he is provided with a higher type of quarters for which he may be eligible?

(c) Is he also aware that those who are living in their quarters practically for the last time have now as a result of this amendment been given further lease of stay in those quarters for an indefinite period and have been placed in an advantageous position?

(d) Is he further aware that this change has adversely affected the claims of applicants for 'C' and 'D' type unorthodox quarters, and that many of those who were waiting for quarters for the last four to seven years have been placed in a very disadvantageous position?

(e) Is he aware that, due to the decision of the Government not to build more 'C' type unorthodox quarters, the question of accommodation for the applicants of that type of quarters has become more acute?

(f) Is he further aware that the one option promised by the Honourable Member to be allowed only after the allotment for the year 1940-41 would not materially help them, unless the said change is allowed from the date of the amendment or allowed at least to have effect from this year even if it is to be allowed after the present allotment?

Mr. P. M. Menon: (a) The allotments have been made and are being issued to the Departments.

(b) to (e). The Honourable Member is referred to replies to starred question No. 160, parts (d) and (f) of question No. 164 and parts (c) and (e) of question No. 316.

(f) The point raised by the Honourable Member will be duly considered when the question of permitting clerks to change their classification is taken up.

Mr. Lalchand Navalrai: Will the Honourable Member issue orders to these persons very soon so that there may not be any inconvenience to them?

Mr. P. M. Menon: I shall convey that to the Honourable Member for Labour.

LAYOUT OF THE IMPROVEMENT TRUST PLOTS IN CERTAIN AREAS IN DELHI.

556. *Pandit Krishna Kant Malaviya: (a) With reference to the reply given to part (c) of starred question No. 165 on the 24th February, 1940, will the Education Secretary please state which are the plots in Karol Bagh, Delhi, lease rights of which have been transferred to others, and how many further divisions have taken place in each case?

(b) Is there any complete row of houses or a line of houses in Karol Bagh which at present is in the possession of one lessee only, who, or the original lessee of that piece of land, had got the lane originally left out for public purposes also covered up? If so, which is that?

(c) Is there no condition in the lease whereby leased land cannot be acquired or resumed for a public purpose? If none, why not, and if there is one, how and when action under that is resorted to?

(d) Is he aware that there are many other plots, houses and pieces of lands which are being acquired by the Delhi Improvement Trust for public purposes almost daily?

(e) If the reply to the foregoing parts be in the affirmative, what are the difficulties on account of which the Trust cannot take over or resume the portion of that area only which belongs to a single lessee for providing a lane which is a public purpose, and which would provide air and light to many of the houses which open on only one side?

(f) Is he prepared to see that necessary steps are taken by the Trust in taking over at least that piece of land only which should have been left out for the land and is now covered up and is now in possession of one lessee (whether he is the original allottee of that land or not) in order to provide necessary land for the purpose of making these houses open on both sides like others? If not, why not?

Sir Girja Shankar Bajpai: (a) Cases of transfer and sub-division have been so numerous and frequent in Karol Bagh since the land was leased that no complete list of such cases is available.

(b) No case is known of an original lessee or transferee having built over land originally laid out as a public lane.

(c) There is a condition in all leases of Nazul land in the Karol Bagh area whereby the land can be resumed for a public purpose subject to payment of compensation under the terms of the lease. Action in accordance with this condition can be taken if land is required for a public purpose.

(d) The Delhi Improvement Trust has acquired land to the west and north of Delhi for the Roshanara and Northern City extension schemes. Land is acquired from time to time as required for execution of sanctioned schemes.

(e) Land can be resumed or acquired for providing a public lane if the necessity for the acquisition is established.

(f) In view of the reply given to part (b) above, this does not arise.

Mr. Lalchand Navalrai: May I know, Sir, if the Trust has received a representation that a lane should be acquired from Rai Saheb Kartik Das, and have Government done anything in the matter?

Sir Girja Shankar Bajpai: I should like to have notice as to whether any representation from the gentleman mentioned has been received. I do not know.

Mr. Lalchand Navalrai: Will the Honourable Member then inquire into the matter, and, if there is any inconvenience to them, see that a lane is acquired for them?

Sir Girja Shankar Bajpai: If the Honourable Member will be good enough to send me the particulars, I shall see what we can do.

ALLOCATION OF QUOTAS OF PILGRIM TRAFFIC TO SHIPPING COMPANIES.

557. ***Mr. Umar Aly Shah:** (a) Will the Education Secretary be pleased to state if the decision which Government conveyed in their telegram to the shipping companies concerned on the 2nd November, 1939, in regard to the allocation of the quota of the pilgrim traffic, was final?

(b) Is it a fact that Government made it clear in that telegram to the shipping companies concerned that they should attend a further meeting on the 7th November, 1939, provided they agreed to participate in that traffic on the basis of the quota set out in that telegram?

(c) Was it open to the representative of the shipping companies who were asked to attend the meeting on the 7th November, 1939, to re-open the question regarding the allocation of the quota in the pilgrim traffic the decision about which was conveyed by Government in their telegram of the 2nd November, 1939?

(d) If the answer to part (c) be in the negative, will Government be pleased to state whether the following observation, namely:

“circumstances would appear to indicate that Scindia, even prior to the Government of India's invitation to attend this meeting (7th November) and in disregard of any outcome of this meeting, had already decided to withdraw from the pilgrim trade”

made on page 7 of the Booklet issued by the Mogul Line, Limited, under the heading ‘Facts about the Haj Pilgrimage, 1939-40’ is in accordance with facts?

Sir Girja Shankar Bajpai: (a) Yes, as far as the 1939-40 pilgrim season was concerned.

(b) Yes.

(c) No.

(d) Government are not aware what the circumstances were which made the Mogul Line draw the conclusion mentioned in the statement quoted by the Honourable Member.

AMENDMENT OF ALLOTMENT RULES OF QUARTERS IN NEW DELHI.

558. *Sardar Sant Singh: (a) Is the Honourable Member for Labour aware that if he decides to permit the clerks to change their classification from unorthodox to orthodox and *vice versa* only after the allotment for the winter season 1940-41, as stated in reply to starred question No. 316 of 8th March, 1940, without applying the benefit to the current year's applications, it would not give much relief, as a very large number of the clerks concerned would become entitled to a change next year even under the existing orders?

(b) Is he prepared to consider the desirability of giving them the option of change in respect of this year's applications (submitted in last December) and permit another option which may be allowed even after the allotment for the year 1940-41, and to treat the applications to be submitted by them in December, 1940, as having been made for the second year? If not, why not? And what are the difficulties?

Mr. P. M. Menon: (a) and (b). The Honourable Member is referred to my reply to part (f) of starred question No. 555.

RESERVATION OF A SUPERIOR APPOINTMENT IN THE CENTRAL PUBLIC WORKS DEPARTMENT FOR A SIKH.

559. *Sardar Sant Singh: (a) With reference to the reply to starred question No. 169 on the 24th February, 1940, will the Honourable the Labour Member please state if he is aware of the percentage of representation in the Central Public Works Department that is being enjoyed by the Europeans and Anglo-Indians together, and whether any of the appointments to be filled in April next, have been reserved for these communities? If so, why, or on what grounds?

(b) Is he aware that in almost a couple of years' time the percentage of the Sikh community would come to almost nil?

(c) Is he prepared to consider the desirability of reserving at least one appointment of Class I Service of the Central Public Works Department for a member of the Sikh community? If not, why not?

Mr. P. M. Menon: (a) Yes. Until the Federal Public Service Commission have been consulted and have expressed their views, I regret I can give no information about the proposed methods of recruitment.

(b) It is possible.

(c) The Honourable Member's attention is invited to my reply to part (a).

Sardar Sant Singh: May I enquire from the Honourable Member whether it is a fact or not that some of the appointments have been reserved for Europeans and Anglo-Indians?

Mr. P. M. Menon: I want notice.

STAFF OF THE DELHI IMPROVEMENT TRUST.

560. *Sardar Sant Singh: (a) Will the Education Secretary please state the total strength of the ministerial and other establishment of the Delhi Improvement Trust, and how many of them are Hindus, Muhammadans, Sikhs and others?

(b) Is this office exempt from the operation of the Home Department orders regarding recruitment on communal lines? If so, why, and if not, why no Sikh has been appointed in this office as a clerk?

(c) How many temporary and permanent appointments were made during each of the last two years, and why no Sikh was appointed?

(d) For how long has the Building Inspector been on the staff of the Delhi Improvement Trust?

(e) How many complaints have so far been received by the Delhi Improvement Trust against the Building Inspector from the public?

Sir Girja Shankar Bajpai: I have asked for certain information and shall furnish replies in due course.

CHARGE OF PRESERVED MONUMENTS IN NEW DELHI.

†561. *Pandit Lakshmi Kanta Maitra: (a) Will the Education Secretary kindly state whether it is a fact that preserved monuments in New Delhi are held under the charge of a senior clerk of the Land and Development Office? What allowances, if any, are granted to him?

(b) Was there any press agitation to the effect that the charge of New Delhi preserved monuments should be held by the Archæological Department, as in the case of Old Delhi monuments, or be under the charge of a technical man of the Land and Development Office?

(c) Is it a fact that a previous Financial Adviser to the Chief Commissioner sounded a note of warning that a clerk should not hold charge of the monuments?

(d) What action, if any, have Government taken on his note, or contemplate taking now?

Sir Girja Shankar Bajpai: I have asked for certain information and shall furnish replies in due course.

MINERS AND GANGMEN WORKING IN KHEWRA SALT MINES.

562. *Mr. Lalchand Navalrai: (a) Will the Honourable the Labour Member be pleased to state if it is a fact that the miners and gangmen working in Khewra Salt Mines, are employed on a basis similar to piece-work system?

†Answer to this question laid on the table, the questioner being absent.

(b) Is it a fact that the gangmen are not allowed to join the miners union recognised by Government, while the miners are permitted to become members of the same?

(c) Is it a fact that on a question raised by the Honourable Raja Ghazanfar Ali Khan, M.C.S., in the Council of State, in the year 1936, Government stated that they had no objection to gangmen joining the union?

(d) Is it a fact that the Chief Mining Engineer, Khewra Salt Mines, objects to gangmen joining the union? If so, why, and what steps do Government propose to take?

Mr. P. M. Menon: The question should have been addressed to the Honourable the Finance Member.

RE-EMPLOYMENT OF RETIRED OFFICIALS OF THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

†563. *Maulana Zafar Ali Khan: (a) Will the Education Secretary kindly state if it is a fact that retired officials of the Department of Education, Health and Lands have been re-employed in the offices of the Keeper of Records and the Indian Research Fund Association?

(b) Is it a fact that the retired official employed as Secretary in the Research Fund Association was given a number of extensions while in the Department of Education, Health and Lands, and if so, how many?

(c) Is it a fact that a Superintendent in the Office of the Director General, Indian Medical Service, was doing this work in addition to his own, and was granted a special pay of Rs. 100 for the extra work and continued to do so for a number of years?

(d) Was this appointment specially created to provide the retired official of the Education, Health and Lands Department?

(e) How do Government propose to remove the hardship of unemployment, if they continue to persist in their policy of giving extensions on the one hand and of re-employment after retirement on the other?

(f) Was the post widely advertised, and what was the number of applications received?

(g) How many retired Muslim officials of the Education, Health and Lands Department were similarly employed; and, if not, why not?

Sir Girja Shankar Bajpai: (a) A retired clerk of the Department has been employed in the office of the Keeper of Records on the classification of records as the work demands previous office experience. As regards appointments by the Indian Research Fund Association I would invite the Honourable Member's attention to the reply I gave to part (d) of Khan Bahadur Shaikh Fazli-Haq Piracha's starred question No. 176 of February 24, 1940. I would add that in neither case was the sanction of the Department of Education, Health and Lands required or given.

†Answer to this question laid on the table, the questioner being absent.

(b) The retired officer of this Department was not appointed as the Secretary of the Indian Research Fund Association. I would again invite the Honourable Member's attention to the replies I gave to Khan Bahadur Shaikh Fazl-i-Haq Piracha's question mentioned above and to the supplementaries arising out of it.

(c) The post of Assistant Secretary was originally sanctioned in March, 1931, but as a measure of retrenchment the arrangement referred to by the Honourable Member was in force till recently. This arrangement was found unsatisfactory and a new post on a lower scale of pay was created last year.

(d) No.

(e) The Honourable Member is not correct in his presumption that Government have any policy of giving extensions of service to persons beyond the age of superannuation and employment to retired personnel. The first part of the question does not therefore arise.

(f) Yes; 111 applications were received.

(g) Government have no information on the first part of the question; the second part does not arise.

APPOINTMENT TO THE POST OF DEPUTY DIRECTOR GENERAL OF ARCHÆOLOGY.

564. *Shaikh Rafiuddin Ahmad Siddiquee: (a) Will the Education Secretary kindly state if the officer in charge of the Frontier Circle of the Archæological Survey has been designated for the post of Deputy Director General?

(b) What literary work has that officer so far published, and what work has the next 'junior' Muslim officer published?

(c) Is it a fact that one of them is a University examiner and is selected to preside over historical conferences held in this country? If so, which of them is he?

(d) If the Muslim officer, referred to, is not being appointed as Deputy Director, how does the Secretary reconcile his statement in the House on the 13th March, 1939 (page 1966 of the Legislative Assembly Debates) that the claims of the Muslim officer would not be affected for promotion to higher posts?

Sir Girja Shankar Bajpai: (a) to (d). I refer the Honourable Member to the reply given by me to his identical starred question No. 508 on the 21st of this month.

STOPPAGE OF INCREMENTS OF TWO MUSLIM CONSERVATION ASSISTANTS AND ONE OVERSEER.

565. *Shaikh Rafiuddin Ahmad Siddiquee: (a) With reference to the answer to starred question No. 969, dated 10th March, 1939, will the Secretary for Education, Health and Lands kindly state if it is a fact that increments of two Muslim Conservation Assistants and one Overseer had been stopped? How long have the increments of these Muslims been withheld?

(b) Is it a fact that the increment of the Hindu referred to in the same answer had been restored? What loss has he suffered in pay by the stoppage of increment?

Sir Girja Shankar Bajpai: (a) The information supplied in reply to part (c) of Mr. Muhammad Nauman's starred question No. 969, dated the 10th March, 1939, related to two employees whose increments had been stopped by the present Superintendent of Archæology, Frontier Circle. In addition to these employees the increments of a Muslim Conservation Assistant and one Overseer were stopped under orders passed in 1934 and 1936, respectively, but these employees are now again earning their increments.

(b) Yes. No loss has been sustained as the increment was restored with retrospective effect.

TRANSFER OF THE CHARGE OF ANCIENT MONUMENTS IN DELHI.

566. *Shaikh Rafiuddin Ahmad Siddiquee: (a) Will the Secretary for Education, Health and Lands kindly state, if, as announced some time ago in the press, the transfer of the charge of ancient monuments in Delhi was to have saved about Rs. 2,000 annually in the shape of agency charges formerly payable to the Public Works Department, Delhi?

(b) What savings actually accrued in the agency charges during the last and current year (up to date) after deducting the pay of the non-permanent staff employed as a sequence to the transfer of the work? Will the Secretary kindly place a list of such staff on the table?

Sir Girja Shankar Bajpai: (a) When the transfer was made it was estimated that a saving of over Rs. 1,000 would accrue.

(b) The savings during 1938-39 and 1939-40 (up to date) amount to Rs. 2,456 and Rs. 3,128 respectively. No additional staff was employed in consequence of the transfer and the second part of the question does not arise.

NON-APPOINTMENT OF A MUSLIM AS AN ELECTRICAL ENGINEER IN THE CENTRAL PUBLIC WORKS DEPARTMENT.

567. *Mr. H. M. Abdullah: (a) Will the Honourable the Labour Member kindly state whether it is a fact that no Muslim has ever been appointed as an Electrical Engineer, or Assistant Electrical Engineer, in the Central Public Works Department? If not, why not?

(b) Is it a fact that at present there is a vacancy of an Assistant Electrical Engineer in the Central Public Works Department, for which the Federal Public Service Commission has advertised in certain English papers, and invited applications from qualified Electrical Engineers? If so, are Government prepared to reserve this post for a Muslim and appoint some Muslim candidate?

Mr. P. M. Menon: (a) Yes. No fresh appointment has been made to the post of Electrical Engineer since 1924. One of the two temporary posts of Assistant Electrical Engineer, which exist at present, was offered to a Muslim candidate in 1938, but he declined it as he considered the initial pay too low.

(b) The post referred to is a new one and will be grouped with the other posts in the superior cadre of the Central Engineering Service for purposes of communal representation. Government do not propose to reserve it for a Muslim.

Mr. President (The Honourable Sir Abdur Rahim): It appears that one Honourable Member put down an identical question for reply today which has already been answered a few days ago. This is rather strange. The Chair hopes that Honourable Members will take care to remember the answers that are given to their questions before putting down another question on the same subject.

STATEMENTS LAID ON THE TABLE.

Information promised in reply to starred question No. 33 asked by Dr. Sir Ziauddin Ahmad on the 8th February, 1940.

CREATION OF NEW DEPARTMENTS AS A WAR MEASURE.

The following new branches have been created on account of war.

Communications Department—

1. War Transport Board.
2. A branch to deal with matters arising out of the war.
3. A branch in the Posts and Telegraphs Directorate to deal with matters arising out of the war.
4. Branches in the Indian Meteorological Departments at Poona, Karachi, Calcutta and Delhi to deal with matters arising out of the war.

Defence Co-ordination Department—

Man Power Section.

External Affairs Department—

A branch to deal with matters arising out of the war.

Railway Department (Railway Board)—

Stores War branch.

Labour Department—

Office of the Rent Controller.

Home Department—

1. Office of the Director General of Information.
2. Office of the Chief Press Censor.

Commerce Department—

1. The Economic Resources Board.
2. Office of the Controller of Purchase (Jute).
3. Office of the Tea Controller for India.
4. Office of the Controller of Enemy Firms and Enemy Trading and Custodian of Enemy Property and sub-offices at Bombay, Calcutta, Madras and Lahore.

Information promised in reply to part (a) of unstarred question No. 23 asked by Mr. Muhammad Azhar Ali on the 15th February, 1940.

WITHDRAWAL OF BED COUCHES FROM CERTAIN WAITING ROOMS ON THE
EAST INDIAN RAILWAY.

(a) "Bed couches" are not part of the normal equipment of furniture provided in waiting rooms on the East Indian Railway. Caneseated benches are part of the normal equipment and no orders have been issued withdrawing these.

Information promised in reply to unstarred question No. 31 asked by Mr. Umar Aly Shah on the 23rd February, 1940.

MAINTENANCE OF THE ROAD RUNNING FROM BRIDGE TO GOODS SHED AT
DELHI SHAHDARA.

(a) The Divisional Superintendent, North Western Railway, Delhi.

(b) During and after the rains the road becomes muddy at times. Otherwise the condition of the road is reported to be good.

(c) I am informed that the road does not require repairs at present. Repairs are carried out from time to time when necessary.

Information promised in reply to starred question No. 213 asked by Mr. H. M. Abdullah (on behalf of Khan Bahadur Shaikh Fasl-i-Haq Piracha) on the 27th February, 1940.

QUALIFICATIONS FOR RECRUITMENT OF CERTAIN CATEGORIES OF STAFF ON THE
NORTH WESTERN RAILWAY.

The following statement gives the required information,

Statement showing Minimum Qualifications laid down for Recruitment to certain Categories of Staff during the year 1929, 1934 and as at present.

Categories of staff	1929	1934	1940
(i) Journeymen in the Mechanical Work-shops.	(i) No specific minimum qualifications—Vacancies are filled from— (1) Workshop Apprentices. (2) Apprentices of the MacLagan Engineering College, Moghalpura (now Punjab College of Engineering and Technology). (3) Those who had secured a satisfactory apprenticeship elsewhere, and (4) Others who were able to produce evidence of practical experience.	As in 1929	Mostly recruited from the approved list of qualified apprentices of the Punjab College of Engineering and Technology. When this source of supply does not meet requirements, those who have qualified from recognised technical institutes and colleges are considered.
(ii) Assistant Inspectors of Works.	For recruitment to the post of Sub-Inspector of Works (now designated as Assistant Inspector of Works) no rules were laid down. Men with suitable engineering training were taken.	Sub-Overseers, Diploma or its equivalent from the recognised Engineering College or schools. NOTE.—This was laid down in November, 1934, recruitment in accordance with the rules was made in 1935 when the age limit not more than 27 was fixed. They were taken as apprentices in the first instance for 1 year.	Upper subordinates class examination at Roorkie or an equivalent examination of any other recognised Engineering College or School. They are recruited as Apprentices for one year before appointment. Preference is given to candidates with training and experience of reinforced concrete construction and design of works. Age limit—more than 24.
(iii) Assistant Permanent Way Inspectors (Qualification for Apprentice A. P. W. I. S.).	For appointment as Apprentice Permanent Way Inspectors. An examination equivalent to Standard VI of the Government Educational Code or the Matriculation and School Leaving Certificate examination of the Punjab University or an equivalent examination of other Universities. Age limit—17 to 21.	Junior Cambridge or the Matriculation and School Leaving Certificate examination of the Punjab University or an equivalent examination of other Universities. Age limit—17 to 21 years. NOTE.—No recruitment was made in 1934.	Matriculation examination in 2nd Division, Junior Cambridge or its equivalent from a recognised University or Diploma examination of the Aitchison College, Lahore, or the "Dufferin" Final passing-out examination. Proficiency in Mathematics being essential. Age limit—18 to 22.

Categories of staff	1929	1934	1940
(iv) Works Mistries	No minimum qualifications. Vacancies were filled in by railway employees having practical knowledge of the work as well as by outsiders who had received sufficient education in engineering institutions, or who had practical knowledge and experience as required.	As in 1929.	As in 1929.
(v) Gang Mates	Posts generally filled by promotion of suitable Keymen and Gangmen.	As in 1929.	As in 1929.
(vi) Draftsmen, Class I, Grade I.	No such grade in 1929. No minimum qualifications.	As in 1929.	Draftsmen are not recruited in Class I, Grade I.
(vii) Tracers, Class I, Grade I.	Candidates having previous practical experience of the work or holding certificate from Engineering School or institutions were taken on.	As in 1929.	Tracers (Civil Engineering Branch)—Qualified draftsmen from the Thomson Civil Engineering College, Roorkee, Government School of Engineering Roorkee or any other recognised school of equivalent standing. Age limit up to 25. Tracers (Mechanical Branch)—Practical training and previous experience in tracing. Age limit—18 to 25.

Information promised in reply to starred question No. 272 asked by Mr. Akhil Chandra Datta on the 5th March, 1940.

PLACING OF THE BRITISH INFANTRY BAZAR OF ALLAHABAD CANTONMENT OUT OF BOUNDS FOR TROOPS.

- (a) Except for the Indian Infantry Battalion the British Infantry Bazar is and always has been in bounds for the troops.
(b) and (c). No.

Information promised in reply to starred question No. 283 asked by Mr. J. Ramsay Scott (on behalf of Lieut.-Col. Sir Henry Gidney) on the 6th March, 1940.

EXPENDITURE ON IMPROVEMENTS IN THE BRIDGE ENGINEERING WORKS AT MANMAD, GREAT INDIAN PENINSULA RAILWAY

The total expenditure incurred by the Great Indian Peninsula Railway in connection with improvements in the Central Engineering Workshops at Manmad is as follows:—

	Expenditure.
	Rs.
(1) Saw mill shop	20,041
(2) Blacksmith shop	30,604
(3) Combined machine shop	31,319
(4) Structural shop	39,626
(5) Improved handling facilities in structural machine shop	16,101
(6) Accommodation and provision of machinery for cutting and binding sleeper ends	3,297
(7) Workshop buildings other than masonry	33
(8) Provision of racks and platforms for stores	3,333
(9) Wiring of shops and machines, etc., including provision of motors	5,695
(10) Dismantling of old machines	605
(11) Temporary establishment	520
	<hr/>
Total	1,51,174
Less—Credit for released materials	4,515
	<hr/>
Net total	1,46,659
	<hr/>

The work has been completed with the exception of the installation of two motors.

Information promised in reply to starred question No. 355 asked by Mr. H. M. Abdullah on the 12th March, 1940.

ARRANGEMENTS FOR VENDING AERATED WATERS TO MUSLIMS AT THE DELHI RAILWAY STATION.

No. The arrangements are in the hands of one of the Section contractors, of whom there are four on the North Western Railway system. As regards the second portion of the question, these contracts are not awarded on a communal basis; and it is not regarded as necessary to introduce such an arrangement.

Information promised in reply to parts (a) and (c) of unstarred question No. 77 asked by Mr. M. Ghiasuddin on the 12th March, 1940.

HARASSMENT OF VENDORS AT THE AMBALA CANTONMENT AND DELHI RAILWAY STATIONS.

(a) I am informed that no complaints have been received from any vendors at Ambala Cantonment or Delhi station of harassment by the railway staff.

(c) Does not arise.

ELECTION OF THE STANDING COMMITTEE ON EMIGRATION.

Mr. President (The Honourable Sir Abdur Rahim): I have to inform the Assembly that upto 12 NOON on Tuesday, the 19th March, 1940, the time fixed for receiving nominations for the Standing Committee for Emigration eleven nominations were received. Subsequently the candidature of one member was withdrawn by the proposer and two Members withdrew their candidature. As the number of remaining candidates is equal to the number of vacancies, I declare the following non-official Members to be duly elected, namely:

- (1) Mr. M. Ghiasuddin;
- (2) Shams-ul-Ulema Kamaluddin Ahmed;
- (3) Khan Bahadur Shaikh Fazl-i-Haq Piracha;
- (4) Major Nawab Sir Ahmad Nawaz Khan;
- (5) Mr. Muhammad Muazzam Sahib Bahadur;
- (6) Mr. M. S. Aney;
- (7) Mr. F. E. James; and
- (8) Sir Syed Raza Ali.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Council of State:

"Sir, I am directed to inform you that the Bill to impose a tax on excess profits arising out of certain businesses, which was passed by the Legislative Assembly at its meeting held on the 20th March 1940, was passed by the Council of State at its meeting held on the 27th March, 1940, with the amendments shown in the enclosed statement.

The Council of State requests the concurrence of the Legislative Assembly in the amendments."

Sir, I lay on the table the Bill as amended by the Council of State.

THE INDIAN FINANCE BILL—*contd.*

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume consideration of the Indian Finance Bill, Dr. Sir Ziauddin Ahmad may continue his speech.

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I have still to discuss two major questions, which I want to deal with fully, and there are some minor questions. I shall take up the question of supply first. Then, I shall deal with some minor questions, and then the major question of sugar, but if there be no time left, I shall leave it over for discussion when we take up the clause relating to sugar. Let me begin with the Supply Department. The present system is that we have, for the purpose of food supply, the Canteen Contractor's Syndicate, called the C. C. S. These contractors supplied the foodstuffs to the army. They kept a large stock with them at their own expense and they were really responsible for the food supply. There is the Master General of Ordnance for the supply of munitions. These two bodies function even now during the war. In addition to these, there is a third body for the army supply which used to be called the Supply and Transport Department. That was abolished some time ago on account of embezzlement, and this was replaced by the Director of Contracts who is still functioning with enlarged purchasing powers at present. In addition to these three, there is the Indian Stores Department established sometime ago, and the Legislature has been repeatedly pressing that all Government purchases should be made through this Department. Most of the Departments of the Government of India are now following the instructions issued by the Government of India:

"In 1929, the Government of India laid down the policy that stores for public services should be purchased in such a way as to encourage the development of the Indian industries of the country to the utmost possible extent consistent with economy and efficiency."

Later on, instructions were issued that they should purchase through the Indian Stores Department. The railways being one of the biggest purchasing departments followed those instructions and out of the total purchases of Rs. 15 crores in 1937-38, they spent only Rs. 4.41 crores in direct orders and all the other orders amounting to 10½ crores were placed in purchasing articles through the Indian Stores Department. So, the Railway Department has been really carrying out the instructions of the Government of India and the instructions of the Legislature. But the Army Department has not been following the instructions of the Government of India, and they established their own Directorate of Contracts which is really a department parallel to the Indian Stores Department. Two Departments of the Government of India for making purchases are neither economical nor efficient, and this double system is not in the interests of the State. I shall just give the House one or two illustrations how the Directorate of Contracts works to the detriment of Indian finance.

Some time ago, the Director of Contracts gave a very large order for bacon from Australia, and when that large amount came, they did not know how to use it. They purchased this bacon at a price of 12 to 14

[Dr. Sir Ziauddin Ahmad.]

annas a pound, and now they are using it in place of beef which costs only one and a half anna or two annas a pound. Such a large order was placed in Australia for the purchase of bacon which really the Indian army could not consume. Had they followed the old practice, they ought to have asked the Canteen Syndicate to purchase this amount at their own expense so that the taxpayers would have been relieved from the enormous wastage by such unnecessary purchase.

Then, again, they have got a system by which they have established a ring of contractors, and all the orders are placed through these contractors. No tender of any kind is invited and no attempt is made to purchase at the lowest possible level. In regard to ghee, the Honourable the Leader of the House informed me in reply to a question that they have a contractor who supplies ghee to the satisfaction of everybody. It is quite possible that the Director of Contracts may be satisfied that the contractor supplies good ghee to the army. It is quite possible that the contractor himself is satisfied by the profit he makes but we who really pay for it are not satisfied with it. I really believe that we are spending a lakh and 25 thousand every year extra on this contractor which I think could be saved had we adopted a better method. The purchase of ghee might have been left to the Canteen Syndicate and they would have purchased the whole thing at their own expense, and the taxpayers would have been relieved from this additional amount of a lakh and 25 thousand rupees which is unnecessarily spent. Examples of this nature can be multiplied. It is not a question whether the contractor is satisfied or the contractee, if I may use the word, is satisfied, but it is a question whether the taxpayers are satisfied or not. If the taxpayers are satisfied, that is the crucial test to find out whether the system is right or not. Therefore, I do beseech that this Department is really wasting enormous sums of money and creating a ring of contractors about them and all the orders are confined to this particular ring and no attempt is made to purchase these things at the lowest possible terms, and, therefore, it is very desirable that we ought to follow the instructions of the Government of India laid down for all the Departments and they would save enormous sums of money if they follow the practice of handing over the purchase of foodstuffs to the Canteen Contractors Syndicate who will purchase the whole thing at their own expense and the taxpayers will be relieved from any unnecessary burden. Everything that they require besides the munitions and the food-stuff ought to be purchased through the Indian Stores Department as already laid down by the Government of India. The Munition Department should be left entirely to the army to be managed in their own way. It is not desirable to disclose anything about it. I do not say a word about the purchase or manufacture of munitions which should be at the disposal of the munition board and we should not interfere with their arrangements. But if we come to the purchase of boots, blankets and other things for which no secrecy is required, those things can be purchased in the open market by inviting tenders in the same manner as the railways are purchasing for their requirements. These articles stand in different categories. There ought to be a distinction between the two classes. The munitions should be entirely under the Director of Ordnance and there should be no interference of any kind with that. In the case of foodstuffs, they have got a very efficient and well tested body in the Canteen Contractors Syndicate, but in the case of other things, such as

blankets and shoes, which are not strictly of a military type, they ought to be purchased through the Indian Stores Department in the same way as the railways are purchasing and in accordance with the instructions already laid down by the Government of India.

Now, I come to the new department, the Supply Department. Now, as regards the Supply Department, it is very essential that every member of the Supply Department must be a permanent official of the Government of India. They should take the best men from various Departments of the Government of India, because this is really a department recently created on account of war conditions. They receive orders from the Government of India and they receive orders from foreign Governments, and it is for them to decide which of these orders they can fulfil, keeping in view the requirements of India herself and of the Indian army. This Department should decide what we can sell to other countries. The existence of this Department, to my mind is necessary, and there must be some kind of co-ordinating agency to decide what things we can supply and what things we cannot supply, but the essential thing here is that it should consist only of permanent officials and there should be no liaison officer, no controller and no adviser. This is a thing which is not good, and I tell you that these things will really affect the efficiency of its working and great danger may occur in future. Suppose you have a liaison officer, say, Director of Jute. This gentleman belongs to the trade. He himself is a producer in the trade. Now, let us say that he gets information on the evening of Tuesday from the Supply Department for the purchase of 50 million bags of jute. Overnight the following morning he makes a large purchase for himself and for the firms with which he is connected. In the afternoon he announces the proposals of the Government of India to purchase 50 millions of jute bags to the Chambers. The moment he announces the proposals, the prices go up and immediately there is a large demand. What happened is that this particular officer who had this information beforehand and who purchased these things overnight would be benefited, and this is certainly very unfair and very undesirable. The thing may work the other way round also. Now, the Government give a large order for the purchase of jute bags. Afterwards they cancel this order. As soon as the adviser receives the order of cancellation, he will immediately sell his own stock overnight, and, on the following morning, when the order of cancellation is known, the price of jute bags would go down at once by Rs. 4, and, therefore, all those persons who were not in the "know" would lose and this gentleman who is really the adviser to the Government of India is in a privileged position and he would get the benefit of it. Besides these things, there is another difficulty. I request the Government of India to consider this very seriously. If you appoint a man in the trade, as liaison officer or adviser, he will know the secrets of his contemporaries in the trade and of his brother merchant men, and as soon as he knows the secrets of these people, he will make good use of it, if not during the war, certainly after the war, and it is not desirable that you should place one business man in such a privileged position, so that he should know the secrets of all business men. The men who are in the know of these trade secrets will be placed in a privileged position and all the other men who are dealing in that particular trade will go out as soon as the war is over and this will create a very dangerous situation. My friend may say that the trade is not objecting

[Dr. Sir Ziauddin Ahmad.]

to this, but I think he is labouring under great misapprehension. No business man will ever raise an objection, because, the moment he does it, he will be put in the black list and no order will ever be given to him. To say that no business man is objecting is a very bad argument and no business men will boldly come forward to protest against this arrangement, and I am speaking on behalf of all those business people who cannot speak for themselves. Because the moment they speak, they will be put out of the trade altogether. Government will put them in the black list and they will never get any order. I am voicing the objections of business men and I am laying these arguments before you on their behalf. This is perfectly wrong and not justified.

Mr. M. S. Aney (Berar: Non-Muhammadan): Scandalous?

Dr. Sir Ziauddin Ahmad: Yes. I will give you an example of a scandal with respect to hides and skins. I will say some thing about hides. I think my Honourable friend, Sir Zafrullah Khan, said on the floor of the House that Mr. Inskip has not been appointed as an adviser in hides but I have repeatedly said on the floor of the House that he calls himself an adviser or liaison officer in hides. I have now got a letter here a part of which I will read out to the House in order to clear the position. It is from Mr. Inskip, Adviser to Government to the Secretary, Calcutta Shippers' Association, Calcutta:

"Will you advise all members of your Association, who are interested in hides, that I have been appointed as Adviser to Government.

and he says in paragraph (b):

(b) to advise the Department of Supply from time to time on the question of export of hides with a view to ensuring that adequate supplies are available to meet the requirements of this industry in India.

It is quite clear from his letter that he is appointed to advise the Government about export of hides, but my Honourable friend, the Leader of the House, said that he has nothing to do with hides. It is obvious that either Mr. Inskip is right or the Government of India are attempting to misrepresent the case before the Members of the Assembly. Either he is Adviser in hides or he is not. He says in his letter that he is Adviser, but on the other hand my Honourable friend on the floor of the House says that he is not. I am puzzled to find out what the true facts are.

The arguments which I am now advancing are the arguments which are discussed in a very important article published in the 17th February issue of the *Economist*. This issue was not received in the Library. They had in the Library the *Economist*, dated 10th February, the 24th February and the 2nd March, but the issue, dated the 17th February, which unfortunately discusses the principle I am now discussing, is not in the Library.

Mr. President (The Honourable Sir Abdur Rahim): What is the suggestion of the Honourable Member?

Dr. Sir Ziauddin Ahmad: I want to read out a part of the article to the House, I got the paper elsewhere.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is making an imputation against the Secretary of the Department.

Dr. Sir Ziauddin Ahmad: Sir, I am not. I request that I may be permitted to read out a portion of this article, because it is not available to other Members of the House:

"The weakness is that with very few exceptions the Controllers have been drawn from the trades they control. In a large number of important trades one dominant personality is learning how his competitors run their businesses. There is not the slightest need to suggest that any of the controllers are consciously grinding their private axes, most of them are keenly anxious to avoid anything of the sort. But it will be so fatally easy at the end of the War to suggest that an official control shall merely be transmuted into an unofficial "ring"—without any hampering duty to a supervising State. To endow the representative of a trade with legal powers inevitably creates suspicion in the minds of his customers."

Mr. President (The Honourable Sir Abdur Rahim): If I am not mistaken, I think, this very article was read out the other day by the Honourable Sir Abdul Halim Ghuznavi.

Dr. Sir Ziauddin Ahmad: Sir, I was not present.

Mr. President (The Honourable Sir Abdur Rahim): But it is a repetition of the same thing.

Dr. Sir Ziauddin Ahmad: I will read only one sentence which has got a bearing on the point I am discussing.

Mr. President (The Honourable Sir Abdur Rahim): If the issue of the *Economist*, dated the 17th February, was missing, how could Sir Abdul Halim Ghuznavi get hold of it?

Dr. Sir Ziauddin Ahmad: I cannot say how he got hold of it. The paper was not missing in Delhi.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member was not justified in making imputation against the Secretary of this Department.

Dr. Sir Ziauddin Ahmad: I will quote only one sentence from the article which is relevant to the subject under discussion: I make no imputation.

"It is a sound principle that no one should be judge in his own cause."

This is one thing, and as the whole article has, I understand, been quoted by the Honourable Sir Abdul Halim Ghuznavi, I leave it alone, and now I come to constructive suggestions. I now make some suggestions in order that the difficulties which are experienced may be overcome, and these are for the consideration of the Government. They are:

(i) The purchase of foodstuffs should continue as at present in the hands of the Canteen Contractors Syndicate. They should keep sufficient stock which the Government may require, even under war conditions.

[Dr. Sir Ziauddin Ahmad.]

(ii) The Ordnance Department of Army Headquarters of the Government of India should function as at present and should be responsible for munitions. Their activities should remain confidential.

(iii) The office of the Director of Contracts should be abolished for the same reason as the Supply Transport Corps was abolished some time ago. The Army purchases should be made through the Indian Stores Department as recommended by the Government of India in 1929.

(iv) The Supply Department should consist only of permanent officials borrowed from other Departments of the Government of India. It is essential that no businessman or other non-official should be appointed in the Supply Department.

(v) The Supply Department should receive the orders from the Army Department in India and from foreign Governments, and should classify them, keeping in mind the needs of India as well. It is for the Supply Department to see how much they can supply, but once this is decided, the actual purchase of articles should be made by the Indian Stores Department and not by the Supply Department or by the Director of Contracts. That is to say, the Supply Department should really be a kind of advisory body and it should have no concern directly with the purchases. Now, if it is conceded that the Supply Department should have nothing to do with purchases, it will not be necessary for them to have any liaison officer. If it is necessary to control any particular article, say tea, it should be controlled not by a business man entirely interested in tea, but by an officer of the Government of India, may he be an I. C. S. or an Accounts man.

Mr. President (The Honourable Sir Abdur Rahim): As regards the statement made by the Honourable Member, the Chair would like to know from him when he looked for a copy of the *Economist*, dated the 17th February, in the Library of the Indian Legislature?

Dr. Sir Ziauddin Ahmad: I went to see it in the Library several times. I got out the issue of the 2nd March which I quoted day before yesterday. The issue of the 17th February was not there.

Mr. President (The Honourable Sir Abdur Rahim): This paper was received in the Library only yesterday. The Honourable Member should withdraw the imputation which he has made against the Department.

Dr. Sir Ziauddin Ahmad: I will withdraw my remarks, but let me give a brief explanation. I went to the Library day before yesterday and I wanted to have the *Economist* of the 17th February and also of the 2nd of March. I got the *Economist* of the 2nd March all right, and the Librarian said that he had not yet received the *Economist* of the 17th February.

Mr. President (The Honourable Sir Abdur Rahim): The Chair has just been given the copy of the *Economist*, dated the 17th February, and it was received in the Library only on the 27th March. The Chair would like to know what made the Honourable Member make a reflection on the officials of the Department?

Dr. Sir Ziauddin Ahmad: The fact was that the copies of the *Economist*, dated the 24th February and the 2nd March, were received, but the copy dated the 17th February was not received.

Mr. President (The Honourable Sir Abdur Rahim): Without making proper inquiries from the officials concerned, the Honourable Member was not justified in making the insinuation.

Dr. Sir Ziauddin Ahmad: It was too trivial to go to any other higher authority and I withdraw every word that I said about this incident. I was having only some jokes. Now, Sir, I was referring to certain suggestions that I would like to make to the Supply Department, and one of those suggestions is this. I think it is desirable that they should have a small Advisory Committee in order to co-ordinate the work and it should consist only of the permanent officials. I should not have any non-official or a businessman on it. It should consist of the Director of Supply, the Director of Stores, the Economic Adviser and some other officials who are intimately connected with the subject of supply. In addition to that, I would also suggest that a Committee of the House may also be appointed, not for purposes of advice, but for carrying on the *post-mortem* examination. They should be given an opportunity to see whether the stores were properly purchased and at proper prices. It will give satisfaction to the public if a small Committee of the House were appointed to do this *post-mortem* examination. It may be said that we have already got the Public Accounts Committee for this purpose, but this Committee meets only once a year, and, therefore, we must have a special Committee set up by the Government consisting of persons who have not got their own axe to grind. We may have on it persons like Dr. Banerjee and Mr. James and some other Members who will examine the whole thing from the point of view of the tax-payer and will see that no extravagance is committed and also that there is no loss to the tax-payer.

Now, Sir, I have given my views about the Department of Supply. Whatever might be said about them, there is a general feeling everywhere that things require improvements. I have already said that we should have an Advisory Committee of officials and that will be of great help. This is really an essential point on which I think a change ought to be made.

Now, I have one or two other minor points to which I would like to draw the attention of the House. Last time I was discussing the Labour Department and then I discussed the question of Unions. The next point that I want to take up in regard to this Department is the appointment of a Council as recommended by the Whitley Commission, and it is very desirable that that Council ought to be appointed. This is what they said:

"The most important recommendation made by the Royal Commission on Indian Labour in connection with Government administration of matters connected with labour was for the setting up of an Industrial Council which would enable representatives of employers, of labour and of Governments to meet regularly in conference to discuss labour measures and labour policy. It was suggested that the Council should meet annually and its president should be elected at each annual session. The Secretary of the Council should be a permanent official responsible to it for the current business throughout the year"

Mr. President (The Honourable Sir Abdur Rahim): It is a well-known report and the Honourable Member ought not to read long extracts.

Dr. Sir Ziauddin Ahmad: I will read out only a few more words:

“The function of the Council would be to examine proposals for labour legislation to promote a spirit of co-ordination, and to advise the Central and Provincial Governments on the framing of rules and regulations.”

I think it is very desirable that the Labour Department may seriously consider the appointment of such a Council.

The second point to which I would like to draw the attention of the Labour Department is the Resolution moved by my friend, Mr. Essak Sait. The essence of the Resolution was that there should be some kind of co-ordination between the labour and the capital.

Mr. President (The Honourable Sir Abdur Rahim): That Resolution was moved only yesterday, and, therefore, the Honourable Member cannot revive that discussion now. It is not allowed.

Dr. Sir Ziauddin Ahmad: Very well. Not even the inference. I now come to the Postal Department. There are only two important points in connection with this Department to which I would like to draw attention. At present they have got the extra-departmental officers, and I think it is not desirable to continue this system. This system works very well in England, but the position in India is quite different. You cannot get in this country the same class of men which you pick up in England. In my opinion it is high time that whenever the finances of the Department permit, these extra-departmental officers should be changed into regular and whole-time paid officers for the efficiency of the work. The second thing that I wish to mention about this Department is the purchase of the telephones. I am glad that they have undertaken to purchase the telephone system in Bombay and Calcutta. It is a policy in the right direction, and the whole of the telephone organisation should be controlled by the Government. The automatic telephones, which we have installed here, require a very careful supervision. If the battery runs short, then very often we get the wrong number, and if two persons simultaneously ring up the same number, then we hear the conversations that the two persons are carrying on. This is my experience and probably it is the experience of others also. This ought to be avoided, and it can be avoided by paying a little more attention to the batteries which should be kept in a good condition.

Now, I wish to say a few words about the Vizagapatam harbour. It is really a white elephant just now, and it is very desirable that Government should think out a plan for its future administration. We have spent large sums of money on it, and we are running it at a very great loss. I would like to give a few figures in connection with this harbour. In 1925, the Vizagapatam harbour scheme was estimated to cost 223 lakhs and it was estimated that it would take five years to build up the Port. Then, in 1932, the estimates were revised and they were raised to 5,07 lakhs inclusive of 1,81 lakhs as interest charges. It was expected that it would yield a net revenue of five per cent., but instead of having an income, we are having a loss. This loss is being accumulated and is being heaped up year after year. It is very desirable that the administration of this harbour should now be handed over to somebody who may be in a better position to administer it. I understand that negotiations are being carried on to hand

it over to the Bengal Nagpur Railway. I am not in a position to express at present any opinion about this. I think the Honourable Member for Communications should seriously consider this question and see that this harbour may not be a great burden to the taxpayers of India. It should at least pay the interest charges on the amount we have invested in it and we should see that the harbour is run in an efficient condition.

Now, I come to the Indo-Japanese Trade Agreement. We know that this particular agreement will expire on 1st April, 1940, and today it is 28th March. Still, even three days before, we do not know what is going to happen to this agreement. Will this agreement continue? If it will continue, on what conditions, and whether they will consider the whole position? I think it is high time that we ought to know something about it. What will be its position on 1st April? I put a short notice question about this subject; but, unfortunately, owing to the indisposition of the Honourable the Commerce Member, that short notice question could not be answered, but I hope, when the Deputy Secretary of the Commerce Department gets up to reply, he will enlighten us on these points and particularly on one point. We gave protection of 50 per cent. *ad valorem* to the industry. In addition, we have got the quota system, and the point which we have to consider is whether a high protection of 50 per cent. is necessary when we are giving quota. When we give quota in a country, it means a large amount of these articles cannot be received here. There is that much protection to our industries. We cannot have more than a prescribed quantity in our country at all. You cannot reduce the quota in order to encourage the industry. Once quota is given, high tariff walls are not necessary. If you give a quota, you cannot get more than so much from foreign countries, and if you also have high tariff wall, what would then be the result? The result would be that you raise the price artificially for the consumers over and above the normal price which the consumers have to pay for the article. I put this sum as equivalent to 30 crores per annum. This is simply due to high tariff wall. Therefore, give protection to these industries, either in the shape of high tariff wall or in the shape of quota, but not in the shape of both. Otherwise the burden will be quite unnecessary on the consumers. There are some minor points in connection with the agreement which I hope will be considered later on. There is the question of artificial silk and various other foreign articles which we consume. I am not going to suggest at present what the Government should do. But I certainly press that something should be done at the proper time when it will be useful.

We have just received a copy of the tariff board report on sericulture. The Government of India have not expressed any opinion on this report. It has got a majority report and a minority report and both reports differ in principle. The majority report says that you should protect the industries by putting a high tariff wall. The minority report says, "No, you should lower the prices so that people may consume larger quantities of this commodity, and in this way the industry will prosper". These are two fundamentally different principles raised by the majority report and the minority report. I hope the Government will give us a chance to discuss this particular report in the House either by tabling a motion that the report be taken into consideration or by putting forward a Resolution. I do hope they will not bring forward in the form of a Bill which they very often do. We always object to this procedure. Before the Government regulate the tariff duties by putting a tariff wall, the House must be given

[Dr. Sir Ziauddin Ahmad.]

a chance to consider the report. I do beseech the Honourable the Commerce Member to give us an opportunity of discussing the report in the House before he lays his proposals for the alteration of the duty on this particular commodity.

An Honourable Member: A Bill has already been introduced.

Dr. Sir Ziauddin Ahmad: That is my complaint. Before the Government lay down proposals in the shape of amendment to tariff rates, they should give us an opportunity to discuss the report itself. It is unfair to the House that the Bill embodying the recommendations of the Tariff Board report should be introduced in the House before we discuss the report itself. The discussion on the Bill narrows down the scope of discussion.

There are some more points which I have to deal with, but I understand there are other Honourable Members who wish to take part in the debate, and so I resume my seat. I will take up those points when clauses come for consideration.

Pandit Krishna Kant Malaviya (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, the Finance Bill is a consolidated demand for supplies. In other words, it means that it is a demand for a vote of confidence. If the Members of this House have any confidence left in the Government of India in spite of the distress that we see all round in the country and the way we are being kept down they are free to vote and pass the Bill. But as things stand at present and with the experience that we have had of this administration and the ways in which it is carried on in this country, I have always urged that we should throw out the Finance Bill. If in any year there was any justification for throwing out the Finance Bill, I think it is in this year and we will be more than justified in throwing out the Bill today. Sir, the world is in a chaos, we are sitting on the brink of a volcano. (Interruption by the Leader of the House.) It seems the Honourable the Leader of the House feels his seat safe; he does not realise that we are sitting on the brink of a volcano which might erupt any moment and devastating lava might spread and engulf the entire world. In our own country troubles are looming large on all sides. In order to give a complete picture of the way in which the administration is carried on by this subservient Government of India for their masters who are sitting in England, I would just begin with a glimpse of the picture which Europe presents today. It gives me no pleasure to say so, but there is no gainsaying the fact that the statemen of Great Britain and the Allies have bungled all along and that they have lost all along the line. (Interruption.) My Honourable friend of the European Group says that what I have said is nonsense. I wish I were wrong. In his case it is a case of wishful thinking and I pray they may be right. But if they are thinking that somehow or other they will be able to keep their heads above water, I wish them luck, but the situation today is that they wanted to isolate Germany and starve her out by their blockade.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must realise that on this Finance Bill he can discuss any action of the Government of India in any manner he chooses, but not any action of the Government in England.

12 NOON.

Pandit Krishna Kant Malaviya: I am not doing that. I am simply painting a picture of Europe and the world as it is now.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member should not go outside India.

Pandit Krishna Kant Malaviya: I will not, but India as a part of the world is affected by whatever goes on in the world.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member should stick to that part of the world.

Pandit Krishna Kant Malaviya: With all respect I may point out that India is linked with Britain and the fate of Britain affects India and we are, therefore, anxious to point out how things are at present.

Mr. President (The Honourable Sir Abdur Rahim): In so far as it affects India, that is all. The Honourable Member cannot discuss the policy of the war as it affects England.

Pandit Krishna Kant Malaviya: I am not doing that at all. I only want to draw a picture to show where we stand and what fate awaits us.

Mr. President (The Honourable Sir Abdur Rahim): Where India stands in regard to the war is a matter of speculation. The Honourable Member should confine himself to the subject before the House.

Pandit Krishna Kant Malaviya: After all is said and done, the fact remains that even the neutral countries and the smaller States want to keep out of the war even at the risk

Mr. President (The Honourable Sir Abdur Rahim): The Chair would ask the Honourable Member not to go into those matters. It is not relevant, and he must confine himself to the administration of the Government of India, and to the Finance Bill.

Pandit Krishna Kant Malaviya: In two sentences I will complete the picture. I will content myself by saying that the picture we see today in Europe is not the one which the Allies wanted to draw. If, as is said, there is to be some settlement or arrangement between Germany and Russia . . .

Mr. President (The Honourable Sir Abdur Rahim): The Chair would ask the Honourable Member not to go into these matters. They are not relevant to this discussion.

Pandit Krishna Kant Malaviya: All right, Sir. They think they will be able to get out of this trouble

Mr. President (The Honourable Sir Abdur Rahim): If the Honourable Member cannot confine himself to the question before the House, the Chair will have to ask him to discontinue his speech. He must confine himself to the Finance Bill or to the administration of the Government of India if he likes. But the Chair will not allow another sentence which is not relevant to the subject.

Pandit Krishna Kant Malaviya: All right, Sir. So far as the Finance Bill is concerned, at the time of the general discussion, I said:

"It seems the idea is to have India as a depot for the supply of raw produce. They say that they do not allow the prices to rise in the interests of the consumers, but really the purpose is to keep the prices low in order that our masters may be able to export our produce to their own country at a cheaper price."

I thought I was the only one to see how things were managed, but an indictment by the Indian Chamber of Commerce of the Government of India which has appeared in this morning's papers supports my point of view. I said, Sir, that the figures of income

Mr. President (The Honourable Sir Abdur Rahim): If the Honourable Member said all that, he need not repeat it. It must be in the recollection of the House.

Pandit Krishna Kant Malaviya: I want to emphasise what I said and point out what they are doing lest we lose sight of the policy of the administration.

Mr. President (The Honourable Sir Abdur Rahim): It is no use repeating what he has already said.

Pandit Krishna Kant Malaviya: They are trying to bring about an artificial depression in the Indian market. The prices of agricultural commodities and raw materials have been considerably brought down and rise in the same in tune with the international markets has been arrested. We strongly emphasise that India on the other hand needs a rise in the standard of living which can be brought about only by a rise in agricultural prices and by measures to promote industrialisation. We realise that both of these are inter-dependent, but the process has got to begin once and we feel that the present is the best opportunity for doing so.

Mr. President (The Honourable Sir Abdur Rahim): What is the Honourable Member reading from?

Pandit Krishna Kant Malaviya: I am reading out an extract from a communication addressed to the Government of India by the Indian Chamber of Commerce, Calcutta, which came out today in the *Hindustan Times* and other papers and these extracts support my point of view.

Mr. President (The Honourable Sir Abdur Rahim): He cannot read it *in extenso*.

Pandit Krishna Kant Malaviya: I want to read only two sentences. The Chamber further take strong objection to the move of the Government of India to bring about artificial conditions of depression and keeping the purchasing power of the people low and consequently, their standard of living, in order to enable United Kingdom to buy essential raw materials needed for war purposes at as cheap prices as possible!

"The Committee regret that the Government of India have framed their economic policy as a supplement to the war economy of the Allies in subordination of the wider economic interests of the country."

The fact is that this was a time when our agriculturists could have made some money and realised more value for their produce; but because our policy is inter-linked with the economic policy of Great Britain and because our commercial policy is guided in the interests of England, the prices of our commodities are kept low and all sorts of restrictions are placed so far as the shipping of our commodities is concerned. We are not naturally allowed to trade with enemy countries. I have no complaint so far. At the same time we have not freedom to export our commodities even to the neutral countries or to friendly countries. The quotas are there. Even if we want to export, say, linseed, or any other commodity to Belgium or any neutral country, we have not got the freedom to export. Even those merchants who entered into contracts to supply some of our commodities to other countries have been put to heavy losses because they are not allowed to supply those commodities and to honour their agreements. Some Indian merchants have had to suffer losses of lakhs and lakhs of rupees. I want to know in whose interests these restrictions are there. Not one of us is anxious to export our commodities to the enemy countries or to help the enemy in fighting Great Britain; but all the same we should have liberty to make our fortunes by exporting our produce to neutral countries from which even the British Consul can certify that not one unit of things will be exported to any enemy country. I know of a case in which castor seed was to be exported to Italy. A merchant entered into a contract foolishly to supply a certain quantity of castor seeds. The British Consul in Italy certified that this castor seed was wanted for *bona fide* purposes by the Italian Government and that not one ounce of it would be exported to any enemy country. I also know that highly-placed officials both at the British Embassy and the Italian Embassy certified to this fact, but the Government of India in its subservience thought better than its masters and did not allow the poor merchant to export the castor seed and he had to suffer heavy loss. The truth is that our administration wants that our commodities should not be exported to any neutral country also, so that there are no purchasers left. Naturally the prices will go down then and when the prices go down, the agents of the United Kingdom will purchase the commodity and export it to England. I want to know this: even if England wants to purchase these commodities and is willing to pay for them, there should be some agency to fix a fair price for the commodity we are asked to supply. We are debarred from sending our commodities to any neutral country: no purchaser can purchase our commodities and we are at the mercy of these our masters here and masters there and they want to pay the lowest price they can, and it is said that all this is done in the interests of the consumers. I want to know and I am sure the Honourable Member when he gets up to reply will be kind enough to note these points and tell us what justification there is for allowing this sort of embargo and preventing our merchants from exporting our commodities to neutral countries. I am told that some such thing is going to be done about linseed also, in addition to the castor seed I have mentioned. I am not in the know of what is going on behind the scenes, but intelligent guess is that because the United Kingdom wants to purchase almost the entire crop that India has produced this year, very soon you will read some communicate in the press saying that the export of linseed has been banned. The result will be that the market will go down at once because there will be no purchasers, and as soon as the market goes down our masters will purchase it. They only want our produce for a song and are

[Pandit Krishna Kant Malaviya.]

depriving us of the profits that we can reap during this war time. They want to purchase at the lowest price—in order to help our agriculturists. That is the interest which the Government of India take in the agriculturists of this country and in our trade.

Coming to the question of sugar, the Honourable Member somewhere got the figure of nine lakhs. Those who are interested in the industry, that is, members of the syndicate, who know what quantity has been produced by such and such a factory, think that the total production will come to 11½ lakhs of tons: stocks on the 29th February or the 1st March amounted to 3,13,000 tons with members of the syndicate and 37,000 tons with non-members or a total of 3,50,000 tons. End of season production U. P. and Bihar—Members 3,32,000 tons and non-members 90,000 tons; likely despatch during the next season within the next financial year 1940-41 will be about 2,68,000 tons and the total thus comes to 10,40,000 tons. If we multiply it by three or Rs. 60 per ton, the yield will come to something like Rs. 6,24,00,000 crores. Our Finance Member has estimated the yield from sugar at Rs. 5,40,000. The difference between the estimated figure of the Finance Member and those who are running the industry and who know better is 84 lakhs. The Finance Member is thus getting these eighty-four lakhs without even acknowledging it. I want to know, Sir, whether it is fair, just and equitable to have the excise duty on sugar which was manufactured long before the Finance Member brought forward his Bill. The sugar has been lying in stock for the last eight or ten months. I want to know if there is any justification for taxing the sugar which has been lying in stock for a long time, for which the sugar merchants paid high prices to cane growers, and the cost of production of which has been high. Now, the United Provinces Government has reduced the minimum that is to be paid to the cane grower. The Finance Member assured us that the burden will fall upon the richer class of people. I would request him to kindly write to the Government of the United Provinces and find out how is it that the Government of the United Provinces is reducing the minimum to be paid to the cane grower. The Finance Member knows and knows very well the real position of the sugar industry in this country. He knows what the crushing capacity of these factories is. He also knows that there has been overproduction, and that due to internal competition the price of sugar has gone down, whereas on account of the interest which the Bihar and the United Provinces Governments are taking in the agriculturists the cost of production has gone up very high. My friend, Mr. Ramsay Scott, in one of his most valuable speeches pointed out that the sugar industry was in a very bad plight. The average selling price of sugar as quoted by him was Rs. 11-14-0 per maund and the expenses to the manufacturer were Rs. 11-8-0, and the profit of the manufacturer came to only six annas; whereas the Tariff Board recommended when they wanted that protection should be given to the sugar industry, that the sugar manufacturers should at least be able to earn ten per cent. on their investment, and still the Finance Member has thought it proper to impose a duty on an industry which is getting protection from the Government of India.

Now, Sir, I just want to refer to the manner in which the administration of this country is carried on and what troubles we have to face here.

Sir, the British statesmen are experts in dividing and ruling. They created Ulsters in Ireland. They managed to get one Sir Edward Carson to play their part, and they think that with these tricks they will be able to keep their heads above water and keep India also in its place. They tried this game in Palestine also. They divided the country, gave some portion of it to Jews

Mr. President (The Honourable Sir Abdur Rahim): The Government of India have nothing to do with the Palestine question.

Pandit Krishna Kant Malaviya: My contention is, Sir, that the Government of India is a subservient Government and is a pet disciple of the Government in England

Mr. President (The Honourable Sir Abdur Rahim): That is all too far fetched.

Pandit Krishna Kant Malaviya: They have learnt their lessons from the Government of England. They are following in the footsteps

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not see how it is all relevant here

Pandit Krishna Kant Malaviya: I am pointing out how they are managing India. I am not talking of England

Mr. President (The Honourable Sir Abdur Rahim): The Chair thought the Honourable Member was discussing the problem of Palestine.

Pandit Krishna Kant Malaviya: No, no. That was only an illustration. I want to tell my friends, I mean to those who may not be knowing it, that both Pan-Islamism and the scheme of Pakistan are the products of British brain

Sir Syed Raza Ali (Cities of the United Provinces: Muhammadan Urban): Is there any Ulster in India? If there is any, the responsibility for it lies with Congress leaders.

Pandit Krishna Kant Malaviya: Do not get excited please. All lessons of modern history have been lost on you. Only the other day we heard of the National Autonomous States. People who talk glibly know little what their words mean. They do not know, or knowing perhaps they think that they can only flourish with bluffs and blusters

Mr. Muhammad Nauman (Patna and Chota Nagpur *cum* Orissa: Muhammadan): What has it got to do with the Finance Bill?

Pandit Krishna Kant Malaviya: Yes. Racial States cannot prosper and cannot exist for long. The division of territories on a racial basis has failed and means only blood baths. It was said that in order to achieve the end, there might be civil wars in galore. I can only say that only the fools and ignorant can talk in this strain

Mr. H. A. Sathar H. Essak Sait (West Coast and Nilgiris: Muhammadan): Who talks about it?

Mr. President (The Honourable Sir Abdur Rahim): Did the Government of India say that? The Honourable Member must confine himself to the action of the Government of India if he wants to criticise it.

Pandit Krishna Kant Malaviya: My contention is that this is the result of the policy of the Government of India. I am criticising the way in which the administration of the country is being carried on

Mr. President (The Honourable Sir Abdur Rahim): All that he must say.

Pandit Krishna Kant Malaviya: This is the result of the policy of the Government of India. I can only say that those who talk of civil wars know not what they mean. They have not visualised, they have not realised what a civil war means

Mr. President (The Honourable Sir Abdur Rahim): Again the Honourable Member is digressing. Is it the case that the Government of India said all that?

Pandit Krishna Kant Malaviya: I say that the fact that an important political party in India stands for the division of the country is the direct result of the policy of the administration that is carried on in this country. That is my contention

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot really impute to the Government of India what other people are saying.

Pandit Krishna Kant Malaviya: I am saying that this is the result of the policy of the administration which is carried on here

Maulana Zafar Ali Khan (East Central Punjab: Muhammadan): May I remind my friend that it was Mr. Gandhi who talked of a civil war to the people of Sind when he asked them to give a slap for a slap.

Pandit Krishna Kant Malaviya: Let it be Gandhiji. I am not going to name Mr. Jinnah in the same breath or bracket him with Gandhiji.

Maulana Zafar Ali Khan: Then it was Savarkar who talked of civil war, then it was Dr. Moonje who spoke of civil war.

Mr. President (The Honourable Sir Abdur Rahim): This is the result of discussing other peoples' words and policies. The Honourable Member must really confine himself to whatever has been done or said by the Government of India and not by any other body.

Pandit Krishna Kant Malaviya: With all due respect and defence to the Chair, I may be permitted to say this, that if there is interruption in this House, I know how to take care of it

Mr. President (The Honourable Sir Abdur Rahim): Will the Honourable Member speak loudly?

Pandit Krishna Kant Malaviya: If interruptions take place in this House, it is the privilege and the duty of the Chair to see that decorum is observed.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is making some sort of suggestion that the Chair has allowed these interruptions to be made. As a matter of fact, the Chair is always doing its best to protect Honourable Members who are speaking from being interrupted.

Pandit Krishna Kant Malaviya: I have never questioned that.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member himself transgresses in that respect very often. The Honourable Member had better go on with his speech.

Pandit Krishna Kant Malaviya: I wanted to point out what these civil wars will mean.

Mr. President (The Honourable Sir Abdur Rahim): The Chair must ask the Honourable Member to obey its ruling.

Pandit Krishna Kant Malaviya: If the Chair wants that I should not prove what I asserted, namely, that all that is happening in this country is the direct result of the policy of administration which is being followed by our masters, I bow to your ruling most respectfully.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can criticise any particular policy of the Government, but not any policy of any political party outside the Government.

Pandit Krishna Kant Malaviya: I have not named any political party. I do not want to name any political party. I do not regard them as any political party. No political party can think of dividing this country. Those who think in this way may be babies playing with live bombs. I am not going to name them or add to their importance. I know that every country has produced traitors but God is great and every country knows how to deal with them. It is not that I want to condemn this party or that party. I am simply painting the picture in which we find the country today, the position in which we are going to be placed in this country, what the duty of the Government is and how should we meet the situation that will arise. If you will allow me to proceed, I shall; otherwise

Mr. President (The Honourable Sir Abdur Rahim): So long as the Honourable Member confines himself to a discussion of the Finance Bill or the administration of the Government of India, he is in order; not otherwise.

Pandit Krishna Kant Malaviya: All right, I will leave it. I will only say this. If I fight or any other friend fights, the result will be—the result of a civil war will be, their daughters, their sisters and their relations, will be raped by *goondas* and ruffians.

An Honourable Member: Who are “their”?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is again harping on the same thing.

Pandit Krishna Kant Malaviya: All right. I will say this much, that brave people do not brag, that empty vessels make much noise, and I will add “*Badal jo garajte hain, woh barsā nahin karte*”. On one side are people who believe in bluff and bluster

Mr. H. A. Sathar H. Essak Sait: Again the same.

Mr. President (The Honourable Sir Abdur Rahim): The Chair will be obliged to ask the Honourable Member to discontinue his speech, if he goes on like this.

Pandit Krishna Kant Malaviya: I discontinue my speech.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): I hope to fight with no one, and I hope there will be no interruptions. I do not propose to be very long.

Dr. Sir Ziauddin Ahmad: So long as you remain within your duty.

Mr. Lalchand Navalrai: Of course, duty first. At present we have the Finance Bill before us. The budget stage is over and the budget has been passed. Now the question is about supplies. We have to see whether the methods which the Honourable the Finance Member is adopting to get those supplies are such that this House should grant the supplies. Therefore, the first question that arises is with regard to the deficit. Half of the deficit he puts down to the war purposes. Half of it he wants to raise by imposition of certain excise duties. So far as the war question is concerned we need not say anything now because the Act has been already passed, but so far as the duties are concerned, the method followed by the Finance Member is a wrong one. My Honourable friend wants to raise about three or four crores of rupees. So far as the figures of the budget and the Finance Bill are concerned, my conviction has up till now not been shaken that they can be manipulated, and if the Finance Member desires to use the right method for making up the deficit, he should not ask that the two excise duties should be increased. On the other hand, we have been asking that there should be relief from these taxes. But the Finance Member has ignored all our requests, and like his predecessor wants one or the other tax. My Honourable friend's predecessor put the slab system of income-tax, and also several other taxes and excise duties have from time to time been increased. From that point of view I would say that these taxes with regard to sugar and petrol should not be imposed. There is no need at all to raise taxes. This is a matter

over which public opinion is very strongly against them. Therefore, the first point is how is the Honourable the Finance Member going to justify the imposition of the sugar tax? I will not go into details because the time will come when the details will be placed when the amendments come up. I will say generally I find from one pamphlet which has been put into our hands which is headed: 'Sugar industry heading towards a crisis'. Now that must have been received by the Honourable the Finance Member as well and I would like him to make it clear how he is meeting the allegations that have been made. The first and foremost allegation is with regard to the industry itself, the manufacturers, and then the grower of cane and the consumer. I feel that with regard to all the three, there ought to be an explanation because I feel that as shown by this pamphlet the manufacturers have shown that they are running the industry at a loss and that their industries will be crushed and ruined. It is the crushing of the sugarcane which crushes them. That is how it is represented. Now, the manufacturer suggests he will have a loss and the profit to the manufacturer will come to only two per cent. Now, I would like to know if this figure is correct.

Another matter which the Honourable the Finance Member should explain is with regard to the report of the Tariff Board. It is no easy thing to shelve the Tariff Board's report. The Tariff Board is appointed to go into a subject and it is a body which has more or less specialised in that subject. They get evidence and they find out whether a certain thing is such that it can bear more or less duty. With regard to that, we find that the Tariff Board recommended ten per cent. If it is so, it is a serious question to answer. These people say it will be only two per cent. and they cannot carry on the business. It is for the Honourable Member to justify this. In paragraph 102 of their report, the Tariff Board recommends about ten per cent. Now, what these men have said with regard to shelving the report is this. They say that superficial considerations have been made the excuse of the Central Government to shelve the recommendations of the Sugar Tariff Board appointed by the Government themselves. Even the Government incurred so much expense in getting their report and then the Government shelve that report. I know one or two times before also the reports of the Tariff Boards have been thrown away like that and it pleases the Finance Members to do things on their own imagination and fancies. When a Tariff Board is appointed and they give a decided opinion, their recommendations should not be lightly treated.

Coming to the question of the grower, the allegation of the manufacturers in the United Provinces and Bihar is that the cane cultivators are themselves making a profit of $5\frac{1}{2}$ annas per maund. Now, the point is this. We must protect the growers also. That is our first duty but then we cannot do it at the cost of anybody else, either the industry or the consumer. Therefore, that is a serious question. I am not competent to give my opinion on the question as to what profit they should have or whether they are making more profit than they should but the point of the allegation is that. That must be controverted by the Honourable the Finance Member. He must prove to us that none is being affected by this excise. Of course he cannot possibly say that the consumer is not being affected. The consumer will be affected as soon as there is an increase in the excise duty. In these days other prices have also risen.

[Mr. Lalchand Navalrai.]

The point is that this is a home industry. It is an industry for which we have been striving for a long time. We wanted that this sugar should not be imported into this country from Java and other places and it is with that intention that the Boards and other officers have been appointed to see that this industry is not affected. Now, I find that the Treasury Benches profess anxiety that certain industries should be started. They give protection also, but soon we find that they get slack and again we find that the industry is suffering. I do not want to say more on this sugar industry now because the time will come when there will be more facts before the House. In the meantime we want to know how the rejection of the Tariff Board's report is being justified.

Now, coming to the other question about income-tax. Wherever the Honourable the Finance Member finds that there is a surplus he must come with a helping hand to the taxpayers. We know the history of the income-tax. In the beginning the man who had an income of 1,000 was not to be charged any income-tax. There was a time like that. Then it was held that income over 2,000 should be levied. That limit again in these days is a limit which should not be considered to be that of a poor man. In these days the expenses of everybody have increased and nowadays the limit of 3,000 or say between 3,000 and 4,000 would be considered to be the limit in the case of a poor man. Now, Sir, my submission with regard to that is this. Looking at the Budget I find on page 2 there is a surplus with regard to this estimated income from income-tax. I find that the surplus is as much as Rs. 124 lakhs more than the revised estimate. Of this striking increase in income-tax, Rs. 56 lakhs were due to less refunds than estimated. Then further on it is said that the main rise of Rs. 68 lakhs was due to the increased collection of tax, and so forth. Again I find at page 5 that "our revised estimates for the total yield from all taxes on income including corporation tax and other allotments entirely Central is placed at Rs. 1,809 lakhs, which is 81 lakhs more than the actual for 1938-39 and Rs. 155 lakhs higher than the estimate of Rs. 16.54 lakhs adopted at the time of the last budget". At the time of imposing income-tax it was said that it may be revised later on, but we find that the revision is always against the taxpayer which should not be the policy of Government. Now that there is some surplus I request the Honourable the Finance Member to help the poor man in the way I suggest. The slab system, which was introduced last year, was a trial system to see whether by its adoption the taxpayer would be a loser or gainer. Now, Sir, we find some surplus which may be due to this system or on account of anything else. I request, therefore, that the present exemption limit of Rs. 1,500 should be raised to Rs. 2,000. This would save the poor man from paying any income-tax if his income is even over 2,000. Gradually, this limit of exemption should be increased, and this is what I want the Honourable the Finance Member to examine and come to a conclusion. Personally I consider it necessary that the question of income-tax should be reconsidered and the poor people relieved to that extent.

Coming to the Postal Department, I want to draw the attention of the House to the price of cards. As you know, Sir, there have been many requests, demands, entreaties and all sorts of persuasions from time to time for the reduction in the price of card. We know of days when it was

only one pice per card, then it was raised to two pice, then again it was raised to three pice. I suggest that that should be reduced.

Sir Muhammad Yamin Khan (Agra Division: Muhammadan Rural): 'See that it is not raised to four pice.

Mr. Lalchand Navalrai: If gentlemen like you help us and not help the Government, as you mostly do, excuse me for saying so, I feel sure that we can get the rates reduced. What I have said does not apply only to my Honourable friend, Sir Muhammad Yamin Khan, but it is a general remark.

With regard to cards, I submit that the Honourable the Finance Member may reduce the rate and thereby help the poor man. We are remembering the predecessor of the present Finance Member but what makes us think of him everybody knows. I wish, therefore, that the Honourable the Finance Member may leave a good impression by considering, and wherever possible, helping the poor man.

With regard to Posts and Telegraphs, I find on page 6 of the budget: "Although we do expect to close the year with a small deficit, the present indications are that we shall actually have a surplus of nearly Rs. 86 lakhs". Here is some money which could be spent for giving relief in that direction. I will leave this to the Honourable the Finance Member to consider, because after all this has again to come before us for discussion at the second stage when amendments are moved.

Now, Sir, coming to the question of salt: This is a commodity which is being used by poor as well as the rich. But so far as the poor are concerned they had formerly good many facilities of getting salt without paying anything for it.

Sir Muhammad Yamin Khan: When did the poor have that facility?

Mr. Lalchand Navalrai: It has been in my life time. I remember having seen people going to saltish land, digging salt out from there and using it. I do not know whether people on Meerut side had the same facility or not. I submit that a tax on this commodity should be reconsidered.

I will now come to the next question and I request the Honourable the Finance Member to consider it from a dispassionate and a
1 P.M. considerate point of view because I find that his predecessor has bungled in this matter. That is the question of the protection against foreign salt which is being imported into India. This question should be re-opened and re-examined because even the predecessor of the present Finance Member did not close it completely. The history of the foreign salt is that protection was given in the year 1931 with a duty of four annas and six pies per maund. In 1934 it was reduced to two annas and six pies. It was again reduced to one anna and six pies in 1936 against all protests because the then Finance Member said that it should be so reduced without giving any substantial reasons. Deputations waited on him and many pamphlets were placed before him which must be on record even now and I would request the Honourable the Finance Member to re-examine that question. The duty was altogether stopped in 1938 for reasons best known to the Government. I know something about this matter because I took interest in it. All that we know is that the

[Mr. Lalchand Navalrai.]

Finance Member went down to Calcutta and there he received some advice as a result of which he stopped the duty altogether. Now, Sir, in order to realise the importance of this matter I would like to quote certain figures. Before the protection was given import of foreign salt was 3,27,000 tons. When the protection was given in 1937, it at once came up to above 63,000 tons. In 1938-39 the protection was removed and the import came up to 2,68,114 tons. Is this the position which the Finance Member would like? I hope he will consider this matter and give it his serious attention. In Karachi there were four manufacturers and two of them have completely stopped working. Also in Jamnagar, they have stopped working. I hope the Finance Member will kindly consider all these points.

Now, Sir, with regard to the Defence Department, I do not wish to say much in these war days when they are more or less untouchable and we have been told not to touch that Department. All the same, I must say that hopes had been raised by the Government in previous years that even the 45 crores that are being allotted for purposes of defence would be reduced. But now we find that the amount has been increased to 49 crores and 29 lakhs. Of course, it is on account of the war and, therefore, I will leave this matter to the Finance Member.

Now, Sir, I come to the question of Broadcasting. My first request is that a Broadcasting Station should be opened in Karachi. The former Communication Members gave us hopes that a station would be started at Karachi. That has not been done. I would, therefore, request the Finance Member that as the Sind Government have also been of that opinion and they have sent their recommendation, he will not keep this station in abeyance for long.

Then, with regard to the telephones. I am glad the Director General is in his seat and I want to tell him that there is a great need of the phone system on that portion of Sind which is from Ruk to Kotri. On that side of Sind, we have got no telephone line. We felt very serious difficulty during the recent riots for want of these telephone lines. Larkana and other places wanted to put themselves in communication with other places and also with the Government but they were not able to do so. I hope the Sind Government and the Collector of Larkana have specially corresponded on that point and I hope the Director General will consider this matter favourably. There is not even a single phone in places between the line that I have mentioned.

Then, Sir, I come to the question of the recruitment of Sindhis in the Central Government. I do not want to say that they should be employed on communal basis, nor do I say that they should be employed on provincial basis but they should be employed because their number is so small in the Central Government. There are only two men in the Central Government, one is only a clerk and the other is a Superintendent. I know that help is being extended to other communities even on communal basis because their number is so few. From that very point of view, I would request the Treasury Benches to see that the number of the Sindhi employees in the Government of India is increased.

Then, Sir, I come to the question of the quarters for the staff in New Delhi. With regard to that, I submit that no sufficient reason has been advanced why these clerks should not be supplied with a sufficient

number of quarters especially when the Simla exodus is going to be curtailed. The point is this. Government say that they give 80 per cent. of quarters of the ministerial staff of the Government. From the actual figures it will be seen that they have hardly given accommodation to about 60 to 65 per cent. At present 2,386 quarters are let out with the result that 1,337 persons more have yet to be provided with quarters. Sir, where there is a will, there is a way. If the Government want to provide every clerk with a quarter, they can do so. The Honourable the Home Member said the other day that Rs. 8 lakhs will be saved due to the lesser number of persons who will be going up to Simla this year. These eight lakhs should be used on the construction of these quarters.

Then, Sir, 2 lakhs 82 thousand are being spent for providing some extra comforts and luxuries to the officers who live in bungalows. There are 332 bungalows and the Honourable the Home Member in reply to a starred question, No. 312 said the other day that only 58 bungalows approximately will be used during the summer for these officers. If that is so, I see no reason why such a large sum of money as two lakhs odd should be spent upon those bungalows. (Interruption.) I do not mind if these bungalows are placed at the disposal of the staff. But as Honourable Members are aware, these bungalows are meant for the heaven born people and poor clerks should much rather be allowed to suffer for want of accommodation than be allotted these bungalows. In justification for the spending of so much money on the provision of additional amenities to these bungalows, the Honourable the Home Member said that the justification lies in the fact that as the allotment rules operate it is not possible to say which bungalows will be occupied during summer and that with the restriction in the exodus most of the bungalows will now be occupied until late in April and again from early September onwards. How is it that in the face of his statement that only 58 bungalows will be occupied, he says that he cannot say which particular bungalows will be in use? In that case I say that there is full justification for building more bungalows if you want to keep the staff contented.

Now, I wish to say a few words about the question of retrenchment. Instead of imposing these taxes, the best way to balance the budget is to abolish the top-heavy posts of officers. It has been urged from time to time that the best course is to curtail expenditure. This can be done by not having a duplication of officers. On that point I need not give my own views, because I am not competent to do so. I will give the opinion of the General Purposes Retrenchment Committee which was appointed in 1931. That Committee has shown how retrenchment could be effected in expenditure. With regard to the Home Department, you find the Committee's recommendations on page 63. With regard to the Finance Department, you find the recommendations on page 81. The Committee has suggested that the Joint Secretary and Under Secretaries in these Departments should be reduced. But if I look at the Government Directory I find that instead of reducing the number of posts, they have increased them abnormally since 1931. The Government instead of taking the right course of curtailing expenditure to balance the budget are going about it in a round about way and imposing fresh taxes.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. M. S. Aney, one of the Panel of Chairmen, in the Chair.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, the days of budget discussions and excess profits tax and other taxes are gone and we know that we on this side are absolutely helpless. Government do not mind taxing the masses whom the Congress Party regards as its greatest supporters. It is well-known that after the elections the Congress was returned in almost all the provinces and so that Party is supported by the masses at least to a great extent in the provinces where there were Congress Ministries. The sessions at Lahore and Ramgarh are over and have brought more money to the railways. When the Railway Department knew that these two sessions would bring them more money there was no justification for imposing more taxes. Our experience, all along, has been that once the railway rates are raised they are never reduced. I do not at present criticise the budget but I say that we have been overtaxed. Now the railways will pay a dividend of four per cent. to the share-holders and so there should not have been this heavy taxation. Mr. Jinnah's plea for social justice in this House found no place in Government decisions. Now the war is on and Government may say that everything is fair in war and we have no right to say anything. At present if you want to please the public outside you must talk of independence or constituent assembly or other allied subjects and everything else is regarded as of no interest. When the masses will complain about this heavy taxation and, I go outside, I will have to say boldly that we are not to blame for it. Here, our eldest brother is absent, the younger brother, *viz.*, the Muslim League and the youngest brother, *viz.*, the Nationalists, can do nothing. As far my friends like Mr. Joshi and Mr. James, they can be called the younger or youngest brothers of the Treasury Benches. We can only say to the public that we are helpless and out-voted and could do nothing to save them from this heavy taxation.

My Honourable friend, Sardar Sant Singh, trotted out some theories about the constitutional position of India and he said India wants independence of the Statute of Westminster variety, which amounts to complete independence. I have no quarrel with my friends but I may say that this independence is the goal not only of the Congress but also of the Muslim League, and there are very few patriotic Indians who do not want independence. I may tell Sardar Sant Singh that you can build your constitution on theories but there are no materials to proclaim this independence now. We know that only recently His Highness the Aga Khan was here and it was said that he supported the theory of constituent assembly. But, unfortunately, he left this country without saying anything definitely or giving a lead to the country. One of his followers, Mr. Rowjee, raised a most absurd question of the quarrel among Shias and Sunnis

Mr. Chairman (Mr. M. S. Aney): The Honourable Member appears to be getting away from the question before the House. The differences between Shias and Sunnis are not relevant to this discussion.

Mr. Muhammad Azhar Ali: I will not refer to it any more, but I only referred to the Aga Khan and to the views of Mr. Rowjee. That was done only to strike a discordant note that when Muslims gather in any assembly there should arise this Shia-Sunni trouble—I shall not refer to any Shia-Sunni question any more and I shall leave Mr. Rowjee in the place which he occupies. The Muslim League or the Congress or anybody need not care for what he says.

Sardar Sant Singh gave a very good resume of the legal aspect of the Westminster Statute as he understood it, in relation to the Indian demand for independence. We all enjoyed his learned discourse and we agree with him to a certain extent: but I may remind the House that the destinies of nations and the freedom of countries are not decided by arm-chair discussions. I would ask my friend to go back to school and learn how independence or dominion status or whatever you may call it can be obtained. It is not by learned discourses here. He can learn it from his own history, the Sikh history when they were ruling the Punjab as he said: he can learn it from Muslim history, how they conquered India and the greater part of the world. But I know that he will not care even to take a leaf out of the British occupation of India. He and others of his way of thinking are too engrossed in the present struggle and all this talk of *charkha* and civil disobedience winning independence for India to think of anything else. If we succeed in winning independence by means of the *charkha* and civil disobedience and non-violence, we shall be very happy indeed. But in this year of grace, 1940, and even before, we have learned the lesson that the world as it is constituted today and even before from the time of Noah, has continued to be the same as it was when it was created, or rather when man was created. The world may have advanced in civilisation and in scientific experiments, hygienic and electrical matters; but so far as human nature is concerned, it is just the same as it was three or four hundred centuries back. I admit that at present not only in India but throughout the world we are morally advanced, materially advanced and advanced in different ways; but the ways of winning independence are the same as they were two thousand or five thousand years before. There is absolutely no difference. If we can mould this world in such a way that we can conquer a country by negotiation itself then only we can become independent through *charkha*, etc., and not otherwise

Mr. Chairman (Mr. M. S. Aney): All these remarks about the methods of winning independence are entirely irrelevant.

Mr. Muhammad Azhar Ali: Very well, Sir: I will give up that point. At least this much I can say that the present wordy warfare that is going on in the country will not bring us nearer our goal—I hope I can say that without objection: we know that only a few days ago what fate befell Finland, Poland, Czech-Slovakia and even China—we have to

[Mr. Muhammad Azhar Ali.]

learn a lesson from that. I would ask my friend, Sardar Sant Singh, to realise that we are here like beggars : we cannot be choosers : we cannot choose whether we can have this or that. However I shall not pursue this matter if it is out of order, though I must say that when my learned friend discoursed on those subjects he ought to have been held equally out of order. He could have argued as he did before a High Court but not in this House.

We are legislating here under the shadow of the great war : we are legislating not only as to how we are to proceed in our daily life. We are also paying taxes. There is a tax on sugar which has been raised : we are paying other taxes, like the salt tax, which have not been raised. Therefore we have no other alternative but to submit to the taxes and go out to the country and say merely that we are helpless. My friend, Sardar Sant Singh, wanted a declaration from the British Government. I would ask my friends to remember that whenever any declaration is made, if one were made at all, it would be of no use at all. Past history of these declarations tells us that from the days of the late lamented Queen Victoria, even the famous Queen's proclamation has not been respected till now. Since then we have had declarations after declarations, and not one of them has been acted upon. We know that undertakings are given by the Government of India on the floor of the House whenever we pass any Resolutions, but what is the result? They are not ratified, they are completely shelved on some pretext or other. The same is the case with regard to the heavy burden of taxation levied on the poor people of this country. Whenever it is proposed to impose a tax, we represent to the Government the severity of the tax, but nobody listens to our complaint. In the same way, whatever declaration that may be made by the Government today, it will not be ratified tomorrow.

Sir, consistency has been said to be the virtue of an ass. If my friend, Sardar Sant Singh, expects that there should be consistency in the declarations made at any time either in this House or outside, then those declarations should be respected, but my submission is that it is hopeless to expect Government to respect those declarations. You, Sir, have warned me that it will not be proper for me to deal with questions relating to foreign countries, and I shall, therefore, refrain from saying anything about other countries. But still I would remind the House that the declarations made during the war have not been respected either. In Palestine the Balfour declaration does not hold good and so King Hussain had to complain about it, because the declarations made by British statesmen were no more respected, and, therefore, if my friends want that there should be a declaration or an undertaking given that after the war within a certain time India will be granted Dominion Status or anything equal to that, I would submit that it will be of no use, because such declarations have never been ratified in the past, and if Government say to respect them at all, they will always find some loophole to get over the declarations. Therefore, Sir, in the present circumstances I would suggest that all the parties in India should unite before asking the Government for a declaration.

Sir, there have been several schemes put forward by different parties and different people for a constituent assembly, not only by the Indian National Congress, but several others, but it has been objected to on the ground of methods of approach. Now, how are we to constitute a constituent assembly? We can select say about eleven members from all the

communities in this Assembly or from the country. Whenever any committee is proposed it is usual to name the people, and I am prepared to name them if our Congress friends, the Muslim League Party, the Nationalist Party, the Liberals agree to constitute a constituent assembly. If they agree, then we can ask the Hindu Mahasabha also to elect a representative to the committee, and thus a constituent assembly for the whole of India would be quite a feasible proposition. Sir Radha Krishnan has suggested a certain scheme, similarly, His Highness the Aga Khan has suggested another scheme, so also Sir Sikander Hayat Khan has proposed a third scheme, but we all know that unless and until we all unite together it will be impossible to frame any constitution or to get anything from the British Government. If we can all unite, I am sure the Government of India's hands will be forced and then they will agree to give us all something; but without unity among the different communities like the Hindus, Muslims, Christians and Parsis and others it is impossible to get anything from the British Government.

When my friend, Sardar Sant Singh, was speaking this morning he was referring to the Statute of Westminster and said there were certain defects in it. Whether there are any defects in it or not, we have to consider that Statute as also the Statutes of other Dominions, and for that purpose it is only a small body of selected Indians who can sit round and discuss the questions and come to a common decision.

Then, Sir, our friends of the Indian National Congress were saying in the beginning that there are only two parties in this country,—the Government on one side, and the Indian National Congress on the other. They wanted to ignore the All-India Muslim League, the Hindu Mahasabha and other bodies in India. Sir, in the year 1916, there was a compromise effected in Lucknow from where I come, between the Congress and the Muslim League. But today our Congress friends come forward and say that the League is nothing. After they had once cared to enter into a compromise with the League I remember the late Mr. Tilak saying at Lucknow—these are his words—“We have found out our luck in Lucknow”: I would ask my friends of the Congress that they ought to remember that at Haripura they ought to have admitted Har, the first three letters of Haripura. I say again it is impossible to expect the Government of India to bend or to respect our wishes unless and until we show a united front.

Sir, this minority question is a very knotty problem to solve,— it is not an easy question. I, therefore, suggest that we ought to

3 P.M. consider the claims of everybody and then come to a united decision. The same thing happened in 1921-22. There was unity in the country and the Government was trying to be responsive then. Therefore, the greatest need of the moment is unity among the different people of this country so that every community may have a place in the political life of India. So I would appeal to my Hindu and Muslim friends and also others to unite together and ask the Government of India to do something which may be conducive to the healthy growth of the Indian nation. Sir, I am reminded here of a story when Japan is trying her level best to conquer China. A Chinese put a question to a Japanese, “Well, how can you conquer China?” The Japanese replied, “China is a woman and Japan is a man.” The Chinese retorted, “What will you do if the woman does not submit to what the man does?” The Japanese

[Mr. Muhammad Azhar Ali.]

answered : "We cut off her arms and we cut off her legs." I would submit that if we are not united, if we do not unite, the result will be, and there will be no other result, our hands and our legs will be cut off and we will be in a very sorry position in this country.

An Honourable Member: Why not cut off the nose?

Mr. Muhammad Azhar Ali: I would not cut off my nose to spite my face. Unless we unite and settle our differences amongst ourselves, it is an impossibility to get anything from the third party. Sir, with these remarks I resume my seat.

The Honourable Sir Muhammad Zafrullah Khan (Leader of the House) : I rise to intervene in the debate for a moment or two as I fear there are certain misconceptions in the minds of some Honourable Members with regard to the functions and the composition of the Supply Department. The onslaught against the Supply Department was led by Sir Abdul Halim Ghuznavi and was followed up by Dr. Sir Ziauddin Ahmad. Neither of them is now in his seat, and I suspect that their criticism was due more to a desire to please certain constituents than because they felt that there was something wrong with the Supply Department itself. Sir Abdul Halim Ghuznavi questioned the justification for setting up the Department itself. In that he was not supported by Dr. Sir Ziauddin Ahmad. Sir Abdul Halim Ghuznavi thought that there was no need to have set up the Department; Dr. Sir Ziauddin Ahmad thought that it was necessary to have set up the Department and he gave a very good reason for it. The reason for setting up the Supply Department was and is that, though there are the two purchasing Departments,—the Indian Stores Department and the Military Contracts Directorate—the question of supply during the war is not quite so simple as merely executing orders that may be received. During the war orders are received in respect of articles which have not been manufactured in this country before, or for quantities in which they have not been manufactured before, or in respect of articles which have not been manufactured in that form before. Orders are received in such large quantities that a great deal of planning and co-ordination has to be done before the question of execution of the orders arises. That is the function of the Supply Department, that is to say the planning of the whole question of supply. When that planning reaches the stage where execution can be undertaken, the execution is handed over either to the Indian Stores Department or to the Military Contracts Directorate. There is a misconception in the minds of some Honourable Members that the Supply Department itself arranges for the purchases of commodities and articles. That is not so. As I have said, they merely plan and co-ordinate, and the actual purchase continues to be made, as it used to be made in peace time, by the two purchasing departments—the Indian Stores Department and the Military Contracts Directorate.

With regard to the composition of the Supply Department, a good deal of criticism was given utterance to by Dr. Sir Ziauddin Ahmad in which he mixed up the whole question of liaison officers and the actual organisation of the Department itself. The Department is actually administered by the Director General of Supply who is the President of the War Supply Board, and on the War Supply Board are represented the different Departments concerned. For instance, the Master General of the Ordnance is

a member, so is the Secretary of the Commerce Department, the Chief Commissioner for Railways and the Financial Adviser to the Board; so that the Board is exactly the kind of body that Dr. Sir Ziauddin Ahmad advises the Government to set up. If he had studied the composition of the Board before he began to criticise it, he would have realised that that was exactly what he himself desired. Both Sir Abdul Halim Ghuznavi and Dr. Sir Ziauddin Ahmad referred to the article in the *Economist* of the 17th February, in which the organisation set up in the United Kingdom was criticised and the *Economist* made a very strong plea in a certain direction. Here, again, the two Honourable Members were led away simply by the criticism of the supply organisation in the United Kingdom without trying to discriminate between the organisation as set up in the United Kingdom and the organisation as set up in India. The criticism in that article is that the controllers of industries appointed in the United Kingdom have been taken from the industries themselves, and the *Economist* goes on to say that it is no answer to point out that, inasmuch as they have to deal with industries, they must be drawn from those industries. I am sure, Sir, you will forgive me if I quote a sentence or two from that article in order to remind Honourable Members what it actually says :

"The main argument in favour of the practice that has been followed is, of course, that it makes use of the fullest and most expert knowledge. The idea that we cannot have a controller who is interested in a trade,' the Prime Minister said a fortnight ago, 'seems to leave out of account the fact that it is just those who have been in a trade who are most fitted to be controllers, because of their knowledge of the trade'."

Then, the article goes on to criticise this point of view and ends up by saying :

"There is no suggestion that persons with expert knowledge should not be used to the fullest in the position for which they are best fitted, that is to say, the giving of advice but the distinction must be kept clear between advice and executive action, the one must be expert, the other must be independent."

That is exactly what we are doing in India. We have made a clear distinction between advice and executive action. The liaison officers appointed here advise the Department with regard to certain matters which concern the industries in respect of which they have been appointed. Executive action is left to the Department. I wish Honourable Members before they quoted this article had taken pains to discover what exactly was being done by the Supply Department here before assuming that the criticism was as valid with reference to conditions here as it might be with reference to conditions in the United Kingdom. During question hour, I have felt that there is this misconception with regard to the functions of the liaison officers. The Supply Department has to deal with conditions and with industries with which the official machinery of Government is not to the same extent conversant as is requisite to enable them to discharge their functions in respect of war supply. It was, therefore, essential to take into the organisation as liaison officers people who should be able to give advice with regard to these matters. These liaison officers do not become and are not officers in the Department. They continue to be what they actually are—the representatives of the particular industries. They are acting in an honorary capacity and they advise Government in respect of such matters concerning particular industries on which advice becomes necessary.

[Sir Muhammad Zafrullah Khan.]

Now, Sir, Sir Ziauddin Ahmad said it is futile to say that no complaint has been received from these industries in respect of these liaison officers and that, therefore, it does not lie in the mouth of Honourable Members to criticise the appointment of these liaison officers. He said: 'how do you expect any particular industry to voice any protest against any particular liaison officer because the moment it does so, it will cease to receive orders'. That is an insinuation which I emphatically repudiate. Not only is there no such apprehension whatsoever but every one of these liaison officers, with the two exceptions that I pointed out the other day when answering questions, has been appointed on the unanimous recommendation of the industries concerned and there is no question of anybody losing orders if they object to any particular liaison officer.

Lastly, Sir, a particular point was raised with regard to the liaison officer for leather and hides industries. It was pointed out that I had, in answer to questions, repeatedly stated that this particular gentleman was liaison officer in respect of leather and hides industries and was not a liaison officer in respect of hides and skins. I maintain that that is the position. Both these Honourable Members who raised this question went on to quote from a certain letter which was written by this liaison officer as liaison officer in respect of leather and hides industries. They slurred over the word "industries" and went on to say: There you are. He is a liaison officer in respect of hides and skins and the Honourable Member has denied that he is a liaison officer in respect of hides and skins. Reference was made to a certain letter issued by this liaison officer to various sections of the industry in which it was said that it was also one of his functions to advise the Supply Department with regard to the control of the export of hides so as to secure suitable supplies for the purposes of the industry within British India and also for the United Kingdom. Actually, as a matter of fact, there has so far been no control of the export of hides and skins apart from action taken by the Commerce Department to prevent supplies reaching the enemy. If at any time, whether as a result of advice given by this liaison officer or otherwise, it becomes necessary to institute any kind of control of the export of hides and skins and a liaison officer or a controller has to be appointed, I assure the House that in respect of this commodity as in respect of any other the same procedure will be followed as has been followed before, that is to say, the officer will be appointed on the advice of the representatives of the particular industry or trade, in this case hides and skins trade, concerned. It may be that this liaison officer appointed in respect of the leather and hides industries may under certain eventualities be forced to advise Government that it would be desirable to institute some kind of control but it does not necessarily follow that merely on that advice control would be instituted. On the other hand, it may become necessary to institute control in which case, as I have said, the liaison officer or the controller as the case may be will be appointed after the fullest consultation with the representatives of the industry. I do hope that these observations will serve to dispel the misconceptions that appeared to have arisen in the minds of certain Honourable Members with regard to the Supply Department generally and the liaison officer in respect of the leather and hides industries particularly.

Mr. Muhammad Nauman: Sir, I do not want to take part in this discussion for a very long time, because we have got an opportunity of criticising the entire administration and the whole Finance Bill. I have to place before the House certain view points which I will do in a very few words, with a view to shortening discussion. In connection with certain remarks made by my friend, Mr. Malaviya, which directly or indirectly refer to a certain organisation in this country, I beg to submit that he was just shelving the realities by wearing a mask of accusing the administration of the Government of India which has resulted in the concentration of thoughts on the part of 33 per cent. of the people of this country on an autonomous sovereign State within India. Later on, my friend said that that group were babies playing with live bombs and at the same time he denounced a civil war. I think there could not be more truth than what he himself probably conveyed when he referred to babies playing with live bombs. However, I want to assure him and any other Member of this House that the necessity to which people have been driven to this situation is more of the responsibility of the people whom he represents than the administration as he wanted to suggest to the House.

Now, Sir, some time we have so many things to say against one Department or another that it will not be possible for me to reiterate all those here. Moreover, some of my Honourable friends have taken up different matters of which the Government of India are fully aware. At present I will only take up one particular subject which is more concerned with the Labour Department and the Railways—the question of recognition of unions on the lines of separate existence. The Mussalmans have got separate associations and labour unions registered under the Trade Unions Act, but what we have always noticed from the replies given by the different Departments of the Government of India is that they cannot give recognition to these unions because they are based on communal lines. I want to impress upon the House that this argument has got no foundation. It is a plea which has got no fundamental basis for the refusal which is always given. The Government have accepted the theory of separate existence of the major communities in this country by giving them separate electorates, by giving them separate representation in the Legislature, and have also accepted the same position by the Resolution of 1934 in which certain percentages of seats were reserved for certain communities. After having accepted that position, I do not know, Sir, how the Government of India and the Heads of Different Departments can come forward with a plea that they would not recognise a certain association or a union of those people who have been accepted to maintain a separate existence in this country and are within their rights. There have been arguments on the lines that it might create a feeling of hatred or a feeling of discontentment among the other employees of the Department who are working on the same lines, but I would submit, Sir, that this does not hold good at all. Even the idea of separate electorate is creating some disturbance in the mind of some people. There are others who feel that this should not have been done, but the Government of India, knowing the entire position in the country and knowing that separate electorate demanded by certain sections of people was based on very cogent reasons, accepted it. To say now that they will not accept this in the case of recognition of unions is something which at least I cannot understand. We have been reiterating this point in this House for the last

[Mr. Muhammad Nauman.]

two or three years, but we find that the Government of India have not changed their attitude as yet. We want to impress upon the Government that they ought to realise why it has been made necessary for that particular community, or for that particular section of the people, to have their own separate unions. The reason is that the unions which were in existence jointly did not serve the purpose for which they were established and did not treat the members of that particular community with that amount of equality, with that amount of justice as they demanded and which they deserved. This being the position, I cannot imagine why the Government of India should insist that a particular community will not be recognised to have a communal association or a communal labour union. The employees of a certain particular community do feel that their cases, which may be peculiar to that community only, will not be represented to the proper authorities and they might be represented with a biased opinion, and, as such, naturally they want to have a separate existence for themselves. So far I have been speaking on principle. Speaking individually, we feel that representation of individual cases will not be made with as much enthusiasm and energy by the officials of these unions as they will do for that community which holds a predominant position in that particular union or association. We do not want that the Government of India should encourage hypocrisy. Asking a certain community to submerge itself into a particular association or union in spite of the fact that it does not wish to combine with them is nothing but hypocrisy, for it amounts to compelling that community to do something which it considers against its very principles. I wish I would have been in a position to say that even separate electorate in any particular administration, or in any phase of life, was not necessary at all. As that is the case, the only possible alternative is that every important community in this country should have a separate existence in the matter of unions in the same way as Government have accepted the principle of having their representatives in the Legislature, services and other matters. This is my submission and I hope the Government of India will reconsider the position. I know that Government have got more arguments than I can advance in favour of the position that I have explained. I hope the Government of India will not insist on a certain mistake which they once made in the past simply because it has been of a long duration.

Now, Sir, I come to the question in industries. We understand that we are going to have a Board of Industries at the Centre. We all know what the Honourable the Commerce Member said the other day regarding its functions. The primary object of that Board will be to investigate the various avenues by means of which the industries of this country can be improved. That is very much to be appreciated. I appreciate that the Government of India have realised the necessity of such a Board. I understand that it will be run on the same lines as the Imperial Council of Agricultural Research and its composition will be also more or less on the same lines. But I want to add one more function to it, and it is this. This Board should also control the industries so far as the employment of labour goes. What I mean to say is this. This Board should be in a position to advise the different industries which have become fat at the cost of the consumers to have a communal proportion in the matter of representation in services. I discussed this subject before this House about a year ago when I moved a cut motion regarding the Commerce Department. I then said that what

the Muslim community feel is that in spite of the fact that they are the partners to the extent of one-third in the matter of losses, they are not receiving that share in the services. This does not require a very great explanation. When a protective tariff duty is levied for the protection of a particular industry, it is certainly done at the cost of the consumer. I will give an example. About eight or nine months ago we could have got sugar landed in India for about Rs. 5 per maund, but because of the tariff duty it had to be sold in this country for about Rs. 11 a maund. That protection of Rs. 5 or Rs. 6 per maund was given at the cost of the consumer. Of course, it was done for the industrialisation of this country, and I very much appreciate that fact. But what I want to submit to this House is this that when the consumers contribute to make a certain industry thrive in this country, they have every right to demand their proper share in the distribution of profits of that industry as well. Supposing there are sugar factories, they should be controlled by this Board and the Board should see that they give representation in the matter of services to the same extent as the population of this country warrants. This is a point which I stressed even last year. Speaking particularly of Tata's which is in my constituency, I am informed that out of about 35,000 ordinary labour and three to five thousand skilled labour that they employ, the share of the Muslim community is not more than 2,000 and most of these persons draw a very small pay. In the case of the officers of the company, the percentage of Muslim employees will not be even one or two per cent. Sir, the iron industry has been given protection at the cost of the consumers, and, as such, we have every right to demand that the Board of Trade should see that the consumer's money is evenly distributed to the entire population of this country, I am not fully aware about the number of labour employed in the Ahmedabad mills, but the information that I have got from my Bombay friends is that the percentage of Muslims there is hardly two or three per cent. I do not wish to dwell on the other aspect of the question where I would have said that even the shares of these companies are mostly monopolised by those people who would not have been there if the Muslims were given their proper proportion.

Mr. Chairman (Mr. M. S. Aney): The administration of these private companies is not a part of the administration of the Government of India.

Mr. Muhammad Nauman: I quite realise that, but my submission is that when this Board is established, it ought to be one of its functions to see that there is proper representation of various communities in the services of these companies. I would like to hear from the Commerce Member what he has got to say in this matter. When you initiate a particular Department, there are some difficulties during the initial stages, but surely they are not insurmountable. If the Government of India were to say that, I would be sorry to hear it especially in view of the fact that they have the best brains and they ought to be capable of solving all these problems.

Now, Sir, I come to the Supply Department, the working of which was so ably explained by the Honourable Sir Muhammad Zafrullah Khan. I am glad he has given a lucid explanation as to how things are being managed in that Department. As my friends, Sir Abdul Halim Ghuznavi and Dr. Sir Ziauddin Ahmad, have already dilated upon that Department at great length, I would not like to take the time of the House by

[Mr. Muhammad Nauman.]

explaining the same points over again. But what I would like to know is this, whether, when the Supply Department was organized, it was in consultation with this House at all. The Honourable Sir Muhammad Zafrullah Khan just stated that the Supply Department does not directly give contracts or make purchases, but that the Supply Department receives orders from the United Kingdom or from foreign countries direct. Was it not the duty of the Government to take a representative of this House for giving advice to this Department? In that case, as is now alleged by the Honourable Sir Muhammad Zafrullah Khan, when questions are put about this Department, they will not be based on ignorance. Such questions based on wrong information would not have been put at all. The Honourable Member also explained very clearly about the appointment of liaison officers and controllers. He particularly laid stress on the question of liaison officers for tanned skins and hides and he further said that the question of the appointment of a controller or a liaison officer for raw skins and hides was not receiving the attention of the Government yet, and that as soon as an opportunity arose, he would give his serious consideration and he would then adopt the same method as he did in appointing liaison officers for other Departments. In this connection, I want to place before the House the views which the different Chambers of Commerce and Trade Associations hold, and they are these. Although a particular liaison officer is appointed for tanned skins and hides, this is an allied subject with the export of raw skins and hides. Although he does not have any control directly with the export of raw hides and skins, his advice in the matter of tanned skins and hides sometimes adversely affects the flow of skins and hides to foreign countries. I think the House is aware that with the restrictions placed on the general export of this country to neutral countries, and with the restrictions placed on the question of quotas, it has really become difficult for merchants dealing in skins and hides to foreign countries to realise as much price as should have been realised or as other countries in the world are realising today. I am not going to suggest anything regarding the policy of the Government of India. They know best why quotas have been established. Why can they not control the flow of those particular commodities from neutral zones to Germany? But I must say this is adversely affecting the entire export trade of this country. When the Honourable Member for Commerce was in Calcutta, the Muslim Chamber of Commerce made representations to him and so did the other Chambers of Commerce about the difficulties which have been created in the matter of giving quotas. This giving of quotas practically enhanced the difficulties of export trade and they were made more difficult than during the last war of 1914. I hope the Government will find out some way or method by which the export of this country is not put to any difficulty which it is suffering at the moment. I do not like to repeat the opinions of the different chambers and commercial bodies. Some of those opinions were read out today by my Honourable friend, Pandit Krishna Kant Malaviya, and the House is fully aware of the feelings in the country. There are so many insinuations made and suggestions made sometimes that the Government of India are anxious to maintain prices at a low level, so that it might be easier for them to get raw materials at the lowest level of prices possible. I do not want to make one suggestion or other. I want to make

this position clear that all these difficulties are such that the Indian trade with foreign countries will practically vanish. If His Majesty's Government cannot make adequate arrangements to see that the supply to neutral countries are controlled in a way which would not allow the free flow of those raw materials to Germany, then I do not know how they are going to control the entire war which is a far more difficult thing than this. I hope, Sir, the Government will come to co-operate with us and find out a solution by which the trade of this country will not be reduced to the position to which it has been reduced and to which we believe would be reduced if things continue as they are. There are so many difficulties in the matter of getting freights, insurance and the difficulty of quota has rather made the position worse, and I hope the Government would realise this fact and see that things are redressed soon.

I want now to refer briefly to the duty on sugar. I do not suppose I need take much time of the House because I already gave expression to my views in the general discussion of the budget and then again on the cut motions. I need not reiterate those arguments at the present moment. I would just say that sugar being one of the necessities of life should not have been taxed at this particular moment at all. I am quite alive to the situation that our Finance Member is anxious to have more money, and, in view of the difficult time we are passing through, this amount may even not be sufficient. At the same time as I enunciated in the general discussion that the principle should be that taxation should be confined to such commodities which are by way of luxury and not by way of necessity. I said in my general discussion that the best course would have been for the Government to have taxed foreign tobacco and foreign liquor. I was then interrupted by the Honourable the Finance Member to say what guarantee there was that they would be imported in the same quantities as they have been imported till now.

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

That, of course, no one can guarantee, but still Government could surely calculate the expected import and a tax on tobacco and foreign liquor would not be a tax on the poorer classes or a tax on necessities. Sugar being only next to salt in importance as an article of primary necessity, the consumer should not have been taxed on it. The industrialists say that it gives them only six annas a maund; I hold no brief for them, but at least there is no reason why, when protection was given on the basis of a certain calculated profit to this industry, they should not get that profit as recommended by the Tariff Board and the industry crippled to that extent.

As regards the tax on petrol, I am not on very strong grounds in denouncing it, but I will say that the duty on petrol is heavier and higher than in any other country. That should have been considered and another commodity chosen in its place, although I agree with the Finance Member that whatever commodity might have been chosen, there would have been complaints about it. But the duty of Government is to tax an article where there would be the least complaint. The other day I suggested a

[Mr. Muhammad Nauman.]

duty on cement which is surely not an article of primary necessity. Of course there would be opposition to that also, but not to the extent that the duties on sugar and petrol have created.

I will now deal with the expenses of certain Departments, and I will first take up the Postal Department. It has been said very often that the Postal and Railway Departments are the two commercial departments of Government and have to meet their own expenses. This year the Postal Department has a balanced budget and some saving and still no relief has been given to the poor man in the matter of postcards. This matter has been debated for several years now, but Government are not changing their attitude. It might cost them 30 or 40 lakhs, but I believe more money can be got from parcels and registration fees which are not among the necessities as postcards. The principle is to put the least taxes on the poor man's shoulders, and, from that point of view, the price of postcards is too high and should be reduced.

Then I come to general economy in administration. With a deficit budget of eight crores, I expected some reductions to be made in the salaries of highly paid officers. Voluntary offers of reduction in salaries would have been better, but as they are not coming, I think the Government of India should have imposed a cut of 10 per cent on the salaries of people drawing over Rs. 1,000 a month. It may be said that this would create hardship in view of the rise in prices caused by the war, but surely this argument would not apply to officers drawing above Rs. 1,000 a month.

Mr. M. S. Aney: You must be thankful that they are not demanding a dearness allowance.

Mr. Muhammad Nauman: As regards that, I think people getting below Rs. 50 a month are quite justified in demanding a dearness allowance when the prices of articles have risen by 15 or 20 per cent. Government must realise that people drawing even less than Rs. 100 cannot make both ends meet even in the matter of their necessities of life. Persons who get over Rs. 1,000 a month, but who say that they are out of pocket towards the end of the month, can undoubtedly pay ten per cent. of their pay without much difficulty in spite of the rise in prices. We know the respective purchasing power of Rs. 1,000 on the one hand, and of Rs. 50 or Rs. 100 a month on the other. For argument's sake, one might even say that a man who earns Rs. 10,000 or Rs. 20,000 a month may not be able to make both ends meet, that he spends his money on the necessities of life and that he cannot live on less. Sir, this is one of the most important proposals that the Government should have brought before us, but they did not. If, at all, a situation arises, as we have been warned by the Honourable the Finance Member, I hope this factor will be considered and the Government will strive for saving and economy rather than realise money from taxes on the people. I hope they will accept the advice of this House when it is given to them. This question of economy is not new: it has been reiterated every year by different Members in this House: the Government of India did not see any justification to do it before, but now that we are

living under emergency conditions, when more money is required, I think we would have appreciated it if a beginning were made in that direction. With these words, I resume my seat.

Some Honourable Members: The question may now be put.

Maulana Zafar Ali Khan: Sir, it is a trite English saying that he who pays the piper calls the tune. The principle embodied in this saying is universal in its application, but there is an exception to the general rule. India is the exception. India pays the piper, meaning Sir Jeremy Raisman, but England calls the tune. When the time will come when India is capable of calling her own tune; God alone knows: but this is a matter which concerns ideal politics and so I must come down from the transcendental heights of idealism to the *terra firma* of actuality. What are those actualities? England is now the master of our destiny. She can do as she likes. Many of my friends have spoken on this Bill. The scope of discussion is very wide and all sorts of subjects have been dealt with; but I know it for a fact that the taxes imposed and the duties levied are like the laws of the Medes and Persians. There is no getting away from the fact that it is impossible for us, circumstanced as we are, to reduce those taxes, much less to abolish them. Sir Jeremy Raisman knows perfectly well that the duty on petrol and the duty on sugar and other excise duties are very unpopular measures and so it is no use asking him to reduce this, abolish this or modify this. There is to be no reduction, no modification and no abolition. So instead of dealing with those subjects, I will try to drop into his ear certain things which have been never discussed. The House has never dealt with those subjects; and if I succeed in making even a tiny impression upon the mind of Sir Jeremy Raisman and he remains as the Finance Minister till next year and then comes up to my expectations, I think my task would have been accomplished.

India, they tell us, is as poor as the proverbial 'church mouse'. There were days when India was not so poor. India used to be proverbially rich during the Moghul days. Earlier, it was richer still. The history of the poverty of India commences with the coming of the British. They thought that it would be impossible to change world conditions and, therefore, it was in the interests of England that India should be kept bound hand and foot as their bond-slave, so that no other power in the world would dare defy them. Therefore, the fiscal policy in India ought to be to keep the body and soul of Indians together, not to reduce them to actual starvation, but not to allow them to grow rich, because if they grew rich they would demand more political rights and agitation would proceed, and that would be against the interests of imperialism. But the world is changing. The world has changed. A tremendous change is coming over the world: Powers like Italy and Germany and Russia have arisen to contest with England the mastery of the world, and, therefore, England finds it absolutely necessary that all the resources of the British Commonwealth of Nations, as it is called, including India, should be tapped. Is it not, I say, a disgrace to India that in this time of war, when the actual cost of one day's war is £6½ millions, India should be capable of raising only a paltry few crores, and these crores are to be raised by taxation on salt and water and air—the time is coming when the air also will be taxed—these crores to be raised by taxing sugar and

[Maulana Zafar Ali Khan.]

petrol which are necessities of life? Petrol is becoming the necessity of life in these days. So, we are not proud of what we have done financially. But what can we do? India is an agricultural country: you have purposely not industrialised it.

Can our Honourable friend, Sir Jeremy Raisman, tell us the reason why during the past fifty years India has been unable to have a Mercantile Marine of her own? Are there any Indian ships in which cargo is carried along the coast and overseas? If not, why not? That is a question of questions. Then, Sir, how is it that a tariff wall has not been raised round the coast of India in order to prohibit the imports from other countries to be dumped down in our markets to our detriment at least till such time as we are able to stand on our own legs? This has not been done, but these are bigger questions, and so I shall not deal with them now. But for the consideration of the Honourable the Finance Member I would bring to his notice one fundamental fact. It is the duty of every civilized Government to see to it that not one of its subjects starves, that bread is provided to every man, woman and child in the country,—not bread and butter because butter is scarce,—but at least bread should be provided to every one. Can the authorities tell us what is the number of poor men in India who cannot get a square meal from year's end to year's end even once a day? Perhaps they will not be able to tell us that but it is their duty to take a census of such people who are starving actually or are on the starvation point.

Again, Sir, does our Finance Minister know what is the actual number of beggars in the country? I do not refer to the sturdy variety of beggars,—I refer to the millions and millions of people who are starving and begging in the open streets. Has any law been made for protecting them from starvation and for giving them shelter? Have Poor Houses been started for those beggars who are suffering from contagious diseases—like lepers? How many Leper Asylums have been opened in this country? This has not been done to the extent to which it ought to have been done. So if the Finance Member would make a provision in the next year's Budget for these things, or at least after the war is over,—because God alone knows what the necessities of the war are going to be,—and if the war is not terminated next year, then he will impose other taxes on us which we shall have to bear; so I say even if after the war is over Sir Jeremy Raisman can make a provision in the budget for old age pensions for the people of India,—that is to say, every one above 60 years of age should get at least Rs. 10 per month from the State,—he will immortalise his name. You can tax the people for it, and the people will be ready to pay, not for your extravagances, but for the benefit of their own kith and kin who are dying and starving in the country. I know many people after 60 years of age do not know where to go. Do you know what is the condition of our poor graduates? I know Madras graduates are selling betel leaves; Bombay graduates are polishing shoes on the open roads, and in Calcutta graduates are selling *Rasagollas*, while in the Punjab graduates, after unsuccessfully circumambulating the Government offices for a petty post on Rs. 15, are going to the Ravi river to commit suicide. This is the condition of our graduates. Do you know the number of the unemployed in this country? It is your duty to find them suitable employment, it is your duty to help them in getting employment; it is your duty to see that old men and old women who have not the means to keep their body and

soul together are provided by the State. This is the fundamental duty of the State, but instead of doing that, you think of other things, you think of investing millions and millions of rupees on palatial buildings, and you justify your action by saying that you want to maintain the dignity of the State. The Honourable the Leader of the House only the other day placed a Resolution before the House—it will come up for discussion shortly,—to effect retrenchment. And whose throat is to be cut? Not his own, not the throats of the gentlemen who occupy the Benches over there drawing Rs. 6,000 a month, enjoying the luxury of a saloon costing Rs. 1 lakh six thousand per annum, but the throats of gentlemen who bring their own motor cars to Delhi by cutting down the motor haulage; the idea, moreover, is that those who live in Old Delhi should not be paid their daily conveyance allowance of Rs. 5

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member will have ample opportunity to discuss that question when the Resolution will come on later.

Maulana Zafar Ali Khan : I thought it was a very important matter, because Members of the British Parliament are drawing £600 a year, and while our status here is in no way inferior to theirs, I don't see why our haulage and other allowances should be curtailed, because we have also to maintain our dignity and we should be entitled to the same privileges and allowances which the Members of the British Parliament are enjoying.

Then, Sir, there is one thing more which I want to mention, I want to refer to the deplorable condition of Baluchistan. Baluchistan is not a transferred subject, it is a central subject. The world is progressing. They are talking of independence, nay even of complete independence, but so far as Baluchistan is concerned, it is still a land of the lawless law. There is no law there. Under the pretext of defending the honour of the Defence of India Act, they catch hold of a man who makes an ordinary speech and send him to jail. The jirga system which is anti-diluvian in its conception of justice is still prevalent there. There one can do anything in the name of law, and, Sir, we have been crying hoarse from housetops for so many years that the same treatment which is accorded to the North-West Frontier Province should be accorded to Baluchistan also. The North-West Frontier Province used to be at one time a land of the lawless law, but that province has now come to its own, a Government is functioning there under the Government of India Act, whatever that may be worth, but still it is functioning; Baluchistan, however, is still under the heels of the Bureaucracy. So I would call upon the Government to see to it that justice, if not mercy, is shown to the people of Baluchistan, and their status raised to the status of the provinces where the Government is functioning according to the Act of 1935 which we hope sooner or later, sooner rather than later, will go to the winds, a law against which the Indian National Congress has raised its voice, a constitution against which the Muslim League has raised its voice,—Sir, this Act must go lock and barrel, and there will be a new heaven, and under that heaven and upon this earth we will see a free Baluchistan. With these words, I resume my seat.

Several Honourable Members : Sir, the question may now be put.

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

“That the question be now put.”

The motion was adopted.

The Honourable Sir Jeremy Raisman (Finance Member) : The debate on the Finance Bill ranges over so wide a field that I am reminded of those lines of, I think, Dr. Samuel Johnson :

*“Let observation with extended view
Survey mankind from China to Peru.”*

The debate ranged over so wide a field that I found some difficulty in keeping touch with those threads which concern me, and I am glad that some at any rate of the points raised were dealt with by my Honourable Colleagues. I cannot attempt myself to deal with all that remains, but there are certain general observations which I feel, I ought to make, and although they are to some extent a repetition of what I have previously said, it seems to me that the force of them has not yet been fully appreciated.

In the first place, I must emphasise yet once more the extreme uncertainty of the prospect which faces us in the year ahead. There have been many criticisms of the calculations on which my budget is based. I said a good deal on this subject in my budget speech, but I must repeat again that nobody can possibly claim that forecasts made in so uncertain a position will turn out to be accurate or even approximately accurate. All that any one can do is to attempt to envisage as fully as possible the tendencies which are likely to develop and to estimate in the broadest possible way what the general effect of these tendencies is likely to be. The budgetary policy which I have followed is one which will ensure as far as possible the financial stability of the country in the face of probable adverse influences and which will enable it to withstand the shocks that it may quite possibly have to receive. We cannot forecast the course of the development of hostilities, but we should bear in mind the possibility that the area of hostilities may extend and that India may find herself called upon to deal with developments much nearer to her own borders and much more menacing to her immediate safety than those which have hitherto emerged. It is conceivable that if these sinister developments failed to materialise we might find ourselves in a position of greater strength than we had anticipated, but it is surely far wiser to run the remote risk of such a fortunate miscalculation than to fall into the opposite error and find ourselves the victims of reckless optimism. But I would examine a little more closely the charge of regular under-budgeting which has been made. If it were the fact that we have now for several years consistently under-estimated our revenue, one would have expected that there should have emerged over the course of the last few years some large surpluses. unless, that is, expenditure also had been greatly expanded.

Now, what are the actual facts, and for this purpose I must exclude any revenue reserve fund. I shall deal simply with the actual revenue collected during the last three years preceding the current year and the actual expenditure charged against that revenue. The House will remember that our regular provision for sinking fund is three crores and in order that our budget should be said to have balanced in actuality the revenue should

prove to be three crores more than the expenditure. The position is that in the year 1936-37 the actual revenue was 121 lakhs more than the actual expenditure, so that when three crores is set aside for the sinking fund we were short of 179 lakhs. In the next year, 1937-38, the actual revenue was 174 lakhs greater than the actual expenditure, and we were again short of the necessary provision for our ordinary sinking fund programme. In the next year, 1938-39, the actual revenue was 130 lakhs more than the actual expenditure, and again we had to eke out the sinking fund by drawing on the revenue reserve fund which we had coming along from previous surpluses. Those are the three years preceding the current year, and it is obvious that there can have been no process of regular concealment of hidden resources of revenue strength in order to enable us to tuck away something more than our programme. The expenditure of those three years which I have mentioned is,—on the normal level, it was 118 crores in the first of those years, 119.96 in the second, and 118.71 crores in the third, so that there is nothing there to support the view that expenditure was inflated by the device of under-estimating revenue. The explanation is that the critics seize on some particular feature of revenue and conclude from that that there is a regular policy of under-estimation, whereas, in dealing with the budget we have to balance all considerations. If you are to take the mistakes on one particular item, you will get an entirely wrong impression. The criterion of the budget is whether the general result is reasonably close to the original estimates.

Now, Sir, I come on to another point. I have been told that there is no clear indication of the Government of India's economic policy. If there is no attempt to crystallise our views within a set formula, it is because every thing that we have done and said since the outbreak of the war points unmistakably in the same direction. There is only one policy which can be pursued by a country situated as India is now. That policy must be to facilitate and ensure the fullest and most effective utilisation of India's economic resources for the purpose of winning the war. Coupled with the measures taken to ensure that end, there must, of course, be a constant regard for the necessity of placing India in the strongest possible position to meet the difficulties which may arise after the termination of the war. These are the two aims which we have set steadily before ourselves. The first is imposed by the simple fact that India is at war. The methods of carrying out that object are determined from day to day by the vicissitudes of the situation as they arise, and these are being met by prompt and energetic action. The second aim, which is only less in importance to the first, is beset by the difficulty that nobody can yet foresee what kind of world will emerge from the enormous travail of the present crisis. But there are certain fundamental facts on which the economic and financial strength of the country must be based and by keeping this constantly in view we can endeavour to secure that India will certainly be no less prepared than other countries to adjust herself to the requirements of the new world which will be born. There will no doubt be differences of opinion about the best methods of pursuing both our objectives but I do not think there can be any doubt that these are the main objectives which must be kept in view throughout.

But there are critics, of which my Honourable friend, Pandit Maitra, is apparently one, who regard everything we do with a jaundiced eye and who see in our actions nothing but a Machiavellian plan to deprive India of any benefit which she might have derived from the war. Pandit

[Sir Jeremy Raisman.]

Maitra is apparently even able to convince himself that there has been no improvement whatever in the economic conditions of India since the war broke out, that the economic indexes to which reference has been made are a mere figment of the imagination and are a disingenuous attempt to bolster up a sense of complacency with British stewardship of Indian finances. I cannot, on the floor of this House, enter into disputation with my Honourable friend about facts which are susceptible of concrete demonstration by methods universally recognised. I can only say this that if the world in which Pandit Maitra lives is one which provides no evidence whatever of economic improvement in the condition of the masses at a time when the prices of agricultural products have risen to the level at which they stand even at this moment, then my Honourable friend must be living in a world into which few of us can enter. It is what the philosopher would call a private world of his own experience. But I observe that my Honourable friend has some familiarity with the price indexes to which I have referred. He knows enough of them to be able to take the highest point of the fluctuations of recent months and to base a bitter and jaundiced declamation on the reactions which have since occurred to a somewhat lower level—high though that level may still be above the prices prevailing before the war. I should like to ask my Honourable friend whether he conceives it possible that all movement in the field of prices should be continuously in an upward direction and whether he knows of any economic system in which sharp upward movements are not followed by opposite reactions.

My Honourable friend, like many of the mercantile community, also complains that many of the forms of control and restriction which we have adopted have had an adverse effect on India's economic activity. I am at a loss to understand what this type of critic imagines to be the role which India should play on the economic side of war. They apparently think that the war is staged wholly and solely for their commercial benefit and that whilst, on the one hand, the war should continue to be waged in order that they may pocket the profits, on the other hand India should take no part whatever in the various measures of restriction and control which are necessary either to conserve the resources of the Allies or to prevent any of those resources from being placed at the disposal of the enemy. They talk on the one hand of the exploitation of India for the benefit of the Allies and on the other hand they complain that India is not being given a full opportunity to cater to the requirements of the outside world. In the world, which these critics inhabit, there is only one criterion and that is the criterion of the maximum private profit. The successful prosecution of the war which has brought them this adventitious prosperity is an entirely secondary matter in their eyes. But in order not to come too visibly into the open they cloak their criticism under the guise of a consuming anxiety for some class other than themselves, usually the agricultural classes. Nevertheless, when their own interests happen to come into conflict with those of the agricultural classes, they are prepared to be equally vocal in their own defence. I can only say, Sir, that the state of affairs which these critics would like to prevail might be a paradise for the merchants but would be the exact opposite for everybody else; or, to use a hackneyed phrase—"*C'est magnifique mais ce n'est pas la guerre*"—It is a splendid vision but it is not the vision of world at war.

I turn now to matters of more detail and, in particular, to the question which has so often been put, namely, why did I choose to raise the additional revenue by taxes on sugar and petrol. I might easily reply: why not, and throw on my critics the burden of indicating more suitable commodities to serve as the vehicle of extra taxation? But I have already indicated to some extent the considerations which I had in mind in choosing these two taxes. Broadly speaking, it may be said that they are designed to lay the burden, with the minimum administrative complication and the greatest certainty of effectiveness, on the shoulders of those classes which are regarded as better able to bear such a burden. The number of commodities on which an important indirect tax can be levied is strictly limited and of these, many such as for example, salt and kerosene, are commodities mainly consumed by the poorest classes of the population. If these are to be excluded, the choice is restricted to a very narrow field indeed. It has been suggested that additional taxation might have been imposed on certain articles of luxury such as imported wines and spirits and tobacco. The critics, however, forget that the consumption of these commodities is highly elastic and that the level of taxation in recent years has already advanced to a point at which serious doubts have been entertained regarding the possibility of diminishing returns. It is precisely because certain articles of consumption are in the nature of luxuries that they are an unreliable means of securing additional revenue in times such as these, for if the cost of them is driven too high, it is obvious that the consumers, being already faced with other advances in the cost of living, will tend to abandon or reduce their consumption of these commodities, with the result that the effort to secure additional revenue will be frustrated.

As regards, sugar, I mentioned in this House the other day the fact that it is, in the fiscal system of almost every country in the world, the vehicle for an important revenue tax. In the conditions of India, where unrefined forms of sugar are available for consumption of the poorest classes, the selection of refined sugar for taxation is specially justified. In spite of these facts, it will be observed, as I pointed out in another place, that in relation to the prevailing level of the price of refined sugar, the *ad valorem* incidence of the new enhanced tax is of the order of less than 25 per cent., in fact at the present moment it approximates to 20 per cent., *ad valorem*. Now, most of the revenue taxes which are included in the Import Tariff, are consumption taxes of the same nature as that levied on domestic sugar. The general level of such revenue duties is 25 per cent. while many articles included in that tariff are subjected to higher duties ranging from 30 to 50 per cent. or more. When this is the background of our fiscal system, it is clear that the level of the revenue duty on domestic sugar is in no sense excessive.

I am, however, constantly reminded of the difficulties of the sugar industry, and it is suggested that those difficulties are a reason for refraining from increasing the tax on sugar, however justifiable such an increase might otherwise be. I am fully aware of the difficulties with which the sugar industry is faced. I will not attempt to allot the responsibility for those difficulties, but it is clear that the price of sugar has been maintained for an unduly long time at an unjustifiably high level—a price derived from conditions of shortage in which the consumer was very much at the mercy of the producer. These high prices, maintained at the sacrifice of the consumer's interests, have, in turn, owing to the system adopted in the provinces concerned, led to extremely high prices of cane, and the industry has found itself involved in a vicious circle.

[Sir Jeremy Raisman.]

I do not accept the statistics which my friend, Mr. Ramsay Scott, read out to the House the other day as a fair indication of the remunerativeness of sugar production during recent months, but in any event it is clear that the industry itself has played a considerable part in bringing about the present unsatisfactory state of affairs. However that may be, my contention is that a change was bound to come about in the conditions of the production and marketing of sugar and that that change was inevitable, whether the Excise Duty was maintained unchanged, or whether it was increased, or whether it was reduced. In fact if it had been reduced, a very unlikely contingency of course, I consider it would have entailed far more hardship to the industry than as it has been enhanced. In these circumstances, I must refuse to be deflected from my fiscal programme by representations relating to the state of the industry at a particular moment. This type of argument can be adduced at almost any stage at which taxation proposals are introduced, and my answer must be that the ills which beset the industry are a matter for separate consideration which must be remedied in any event and irrespective of the revenue duty which sugar may be called upon to bear in the present financial necessity of the State. There is, however, one point with which I shall deal when we come to the clause of the Bill relating to the Sugar Excise, and that is in regard to sugar produced before March 1st, 1940. I shall not now anticipate what I shall have to say on that point at that stage.

In conclusion, Sir, I would remind the House that, viewed in relation to the present world emergency, the measure of additional sacrifice, which India is being called upon to bear at the present stage, can certainly not be regarded as excessive, and that the additional burden is one which, in the present economic condition of the country, it is able to bear without serious hardship. I should be happy indeed if I could feel that the measures introduced this year would be sufficient to see us through the crisis, and I think that India would have good cause to congratulate herself on so fortunate a result. We may perhaps hope for it but we certainly cannot count on it.

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

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the rate of excise duty on sugar other than Khandsari or palmyra sugar leviable under the Sugar (Excise Duty) Act, 1934, to vary the rate of the excise and customs duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, and the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax be taken into consideration."

The motion was adopted.

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

"That clause 2 stand part of the Bill."

Maulvi Muhammad Abdul Ghani (Tirhut Division: Muhammadan): Sir, I move:

"That in clause 2 of the Bill, the words 'and four annas' occurring in lines seven and eight, be omitted."

Sir, this amendment is in connection with the salt duty. Salt is an article which is daily used in human as well as in animal food, and it has been proposed to levy a tax of Rs. 1-4-0 on it. I propose that four annas should be reduced. We know, Sir, that we have just passed an Excess Profits Tax Bill which will bring in an enormous sum of money, and another Bill levying cess on Agricultural produce, which has been introduced and referred to Select Committee, is also going to be passed. We have also raised fares and freights on Railways. It would be seen, therefore, that there is every probability of getting more money. If tax on salt is reduced by four annas, I think the people will be very grateful to the Government of India, and Government will not lose a huge sum either. I need not go into figures as it is quite obvious. This very article has been the cause of civil disobedience in India. I, therefore, urge that Government should consider this modest amendment and see their way to accept it.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

“That in clause 2 of the Bill, the words ‘and four annas’ occurring in lines seven and eight, be omitted.”

Mr. Lalchand Navalrai: Sir, a similar amendment stands in my name and I support this amendment. I do not think many reasons are necessary in support of it. Salt is a food which is used by everybody including animals and it should be the policy of the Government not to tax food otherwise everybody in India will be affected. This is a tax for which there have been objections for a long time. At one time there were so many protests that the Congress actually started Satyagraha on it, and yet we see that the Government is not going to be moved. I know, Sir, that today the non-official Benches are empty and we cannot throw out the Finance Bill and compel the Honourable Member to agree to this amendment which is very modest. It should be remembered that salt is a commodity which belongs to this country and which can be manufactured both from the sea water as well as from saltish lands. Of course, the preparation of salt from saltish lands has been prohibited but so far as the sea is concerned, there is abundant supply of salt there. Now, when the Satyagraha movement was started, Government was compelled to agree to exclude the coastal areas from any salt tax that was made there. Even that has been gradually abolished and that concession has gone out. Salt was allowed free to those persons who were living in depots and who used to cure fish but now they are also finding some difficulties. Under these circumstances, I think this amendment should be accepted. You have, after all, got to keep the people of the country contented. If you are going to help the people with regard to this commodity which is very necessary for the very existence, then I will say that you are at least true to the Indian salt. I can say that those who live in hotels have not got to cook their food and they put a little salt over the food which is served to them. Therefore, they think that they are not being charged the duty as much as any poor man is being charged. So, looked at from any point of view, this amendment is such that the Honourable the Finance Member should accept it. If we look at the debates of this House, we will find that this question is being raised every year not because there is a peculiar charm in it but because the commodity is of such vital importance that some concession ought to be made by the Government. Sir, I whole-heartedly support it.

The Honourable Sir Jeremy Raisman: Sir, strange as it may seem, I must oppose this amendment. In a year in which I have had to impose additional taxation in order to meet my requirements, it would seek to take away from me a trifle of two crores of rupees of existing taxation to which the country is already accustomed. I do not think that the change which is suggested by this amendment would be even perceptible to those for whose benefit it is intended.

Mr. Lalchand Navalrai: Will you wait for another Satyagraha?

The Honourable Sir Jeremy Raisman: That is a different matter. That is not a question of the actual incidence on the consumer: that is a political question.

I was saying that I did not think that the effect would be palpable or could even be passed on to the individual consumer but the effect on the finances would be so serious as to make it necessary to institute another of these taxes such as are already included in the Finance Bill. Sir, I oppose the amendment.

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

“That in clause 2 of the Bill, the words ‘and four annas’ occurring in lines seven and eight, be omitted.”

The motion was negatived.

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

“That clause 2 stand part of the Bill.”

The motion was adopted.

Clause 2 was added to the Bill.

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

“That clause 3 stand part of the Bill.”

Maulvi Muhammad Abdul Ghani: Sir, I move:

“That clause 3 of the Bill be omitted.”

This clause relates to the duty on sugar which is now going to be raised from Rs. 2 to Rs. 3. I do not see any justification for the increase of this duty. I know that on the one hand it is urged that the sugarcane producer should get some benefit on account of the protection given to the industry, but here the industry is going to be charged an additional sum, which is not a trifling amount but it is 50 per cent. more on the present duty. Sir, it will be very hard upon an industry like the sugar industry which has just commenced to be able to take care of itself. If it is not given a relief for a few years more, then I am afraid there will be hardly any hope of the industry to be able to stand on its own legs. The tax-payers are trying that the industry should not be given protection

at their own cost for any longer period and the sooner the protection is removed the better. But here effort is being made to cripple the industry. I am afraid that instead of encouraging the industry the protection already given will be of no value at all. I know that the Government are bent upon getting this passed. I know my own position where I stand on account of the thin attendance in the House. Even apart from that I know that the certification sword is already hanging

Mr. President (The Honourable Sir Abdur Rahim): If the Honourable Member has more to say, the House had better adjourn now.

The Assembly then adjourned till Eleven of the Clock on Friday, the 29th March, 1940.