

THE 21st March 1940

**LEGISLATIVE ASSEMBLY DEBATES**

**Official Report**

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**Volume II, 1940**

*(6th March to 26th March, 1940)*

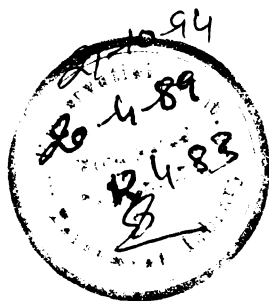
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**ELEVENTH SESSION**

**OF THE**

**FIFTH LEGISLATIVE ASSEMBLY,**

**1940**



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r 1940

# Legislative Assembly

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## *Marshal :*

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

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SYED GHULAM BHIK NAIRANG, M.L.A.

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

SIR ABDUL HALIM GHUZNAVI, M.L.A.

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# LEGISLATIVE ASSEMBLY

Thursday, 21st 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.

## MEMBERS SWORN:

Mr. Kodikal Sanjiva Row, C.I.E., M.L.A. (Government of India: Nominated Official); and

Mr. Parakat Madhava Menon, M.L.A. (Government of India: Nominated Official).

## STARRED QUESTIONS AND ANSWERS.

### (a) ORAL ANSWERS.

#### EXPENSES OF THE CATTLE SHOW HELD IN NEW DELHI.

490. \*Dr. Sir Ziauddin Ahmad: (a) Will the Secretary for Education, Health and Lands be pleased to state what were the expenses of the Cattle Show held in New Delhi in February, 1940?

(b) Who paid the expenses?

(c) Was any arrangement made to take the visitors round and explain the nature of the exhibits? If not, why not?

Sir Girja Shankar Bajpai: (a) The information is not available at present.

(b) The All-India Cattle Show Committee.

(c) No, Sir, except on special request. The objects for which the Committee was constituted do not include the entertainment and instruction of casual visitors.

#### GIVING OF REBATE ON INSURANCE PREMIUMS IN GENERAL INSURANCE.

491. \*Dr. Sir Ziauddin Ahmad: (a) Will the Honourable the Commerce Member be pleased to state whether under the Insurance Act any company is allowed to give rebate on insurance premium in general insurance?

(b) Are the foreign companies exempted from this obligation?

(c) Have Government allowed any foreign insurance company to give rebate?

(d) If not, will Government be pleased to state under what authority the Lloyd underwriters are booking business and allowing substantial rebate?

(e) Have Government received any complaint against this action of Lloyd underwriters from any association or any individual?

(f) What action have Government taken against the breach of Insurance Law?

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar:** (a) Attention of the Honourable Member is invited to sub-section (1) of section 41 of the Insurance Act, 1938, and to rule 11 of the Insurance Rules 1939.

(b) The provisions referred to above apply to all insurance companies including foreign companies.

(c) Government have not allowed any company to give rebates which are prohibited by the Act.

(d) Government have no evidence to show that any person, holding a standing contract with Underwriters who are members of the Society of Lloyds, is offering or allowing such rebates as are prohibited under section 41 of the Insurance Act.

(e) Some complaints were received but, on examination, no case was found in which a rebate prohibited by the Insurance Act could be held to have been offered or allowed.

(f) Does not arise.

**Dr. Sir Ziauddin Ahmad:** What kind of evidence does the Honourable Member expect because those who receive the rebate or commission will not reveal it, and those who pay it will not also disclose it?

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar:** The Honourable Member has stated his own problem.

**Dr. Sir Ziauddin Ahmad:** What kind of evidence does the Honourable Member require?

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar:** The evidence that will satisfy me that a secret commission or rebate is being given.

#### QUARANTINE STATION AT KAMRAN.

**492. \*Dr. Sir Ziauddin Ahmad** (on behalf of Khan Bahadur Shaikh Fazl-i-Haq Piracha): (a) Will the Secretary for Education, Health and Lands please state when the Kamran quarantine was first established, and which Government was responsible for its establishment?

(b) Is it a fact that at first the quarantine at Kamran was established by the Hedjaz Government for the protection of their own country from foreign infections? Is it a fact that after the Great War, the British Government took charge of Kamran Island?

(c) If so, is it obligatory upon the British Government to keep a quarantine at Kamran, and tax their own subjects?

(d) Have the Governments of Egypt, Syria, Palestine, Iraq, Tunis, Morocco, Yeman and Sudan kept any quarantines of theirs for the Haj pilgrims before entering Hedjaz? If not, why do Government feel this necessity for their subjects?

**Sir Girja Shankar Bajpai:** The information is being collected and will be supplied to the Honourable Member in due course.

#### QUARANTINE FEE CHARGED FROM HAJ PILGRIMS.

**493. \*Dr. Sir Ziauddin Ahmad** (on behalf of Khan Bahadur Shaikh Fazl-i-Haq Piracha): Will the Education, Health and Lands Secretary please state whether Government know that a fee of rupees three is charged from each Hajee as quarantine fee, and a good deal of time is spent in halting at Kamran?

**Sir Girja Shankar Bajpai:** Pilgrims sailing from Indian ports are charged a quarantine fee of rupees three per head. Each pilgrim ship usually stays at Kamran for about three hours.

**Dr. Sir Ziauddin Ahmad:** How much money have Government already collected as saving from the Kamran fund dues?

**Sir Girja Shankar Bajpai:** Actually the position at the moment is that the fixed rate of fee per pilgrim is rupees four and Government are contributing one rupee per pilgrim from their own pocket, so there is no kind of saving.

**Dr. Sir Ziauddin Ahmad:** Is there no accumulated account from the saving?

**Sir Girja Shankar Bajpai:** There is a balance, I think, of about Rs. 5,90,000 in the Kamran Fund, but that I think is expected to be swallowed up by the deficit which will occur in the income of the quarantine station as a result of the reduction of the fee from Rs. 8 to Rs. 4.

#### QUARANTINE STATION AT KAMRAN.

**†494. \*Khan Bahadur Shaikh Fazl-i-Haq Piracha:** Will the Education, Health and Lands Secretary please state under what law, if any, has the quarantine at Kamran been established?

**Sir Girja Shankar Bajpai:** The quarantine station is maintained in accordance with the provisions of the International Sanitary Convention.

#### CONCESSION TICKETS ISSUED BY SHIPPING COMPANIES DEALING WITH HAJ TRAFFIC.

**495. \*Dr. Sir Ziauddin Ahmad** (on behalf of Khan Bahadur Shaikh Fazl-i-Haq Piracha): Will the Education, Health and Lands Secretary please state whether it is a fact that the shipping companies dealing with the Haj traffic used to issue concession tickets in their last sailings, and that Government particularly ordered the Company (Mogul Line) not to issue concession tickets last season? If so, why was it done?

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

**Sir Girja Shankar Bajpai:** Government understand that tickets at reduced rates have been issued occasionally. They did not issue any order forbidding the issue of concession tickets during the last season.

#### TRAINING OF INDIANS IN SHIPBUILDING AND ENGINEERING COURSES IN GREAT BRITAIN.

**496. \*Dr. Sir Ziauddin Ahmad:** (a) Will the Honourable the Commerce Member be pleased to state if his attention has been drawn to a message from Reuter from Ankara, dated the 28th February, that 40 Turkish students were going to Britain to take up Shipbuilding and Engineering Courses in British Shipyards under an agreement between the British and Turkish Governments?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state whether they propose to arrange with the British Government for enabling Indian students for securing such training in Britain for the purpose of Shipbuilding and Engineering Courses? If not, why not?

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar:** (a) Yes.

(b) Arrangements are already in existence which make it possible for Indian students wishing to obtain professional or practical training in the United Kingdom to secure facilities for such training through the good offices of the High Commissioner for India in London. It would, however, be premature, at the present stage of development of the Indian shipbuilding industry, to consider the question of providing special additional facilities for the training of Indians in shipbuilding and allied branches of marine engineering.

#### DEVELOPMENT OF THE SHIPBUILDING INDUSTRY IN INDIA.

**497. \*Dr. Sir Ziauddin Ahmad:** (a) Will the Honourable the Commerce Member be pleased to state if it is not in the larger interests of India that India should have a shipbuilding industry of its own?

(b) If the answer to part (a) be in the affirmative, will he be pleased to state if Government have taken any steps, or propose to take any steps, to encourage and assist the starting of such an industry in this country?

(c) Are Government aware that the Australian Government have decided to give financial assistance for the purpose of developing the shipbuilding industry in Australia?

(d) If the answer to part (c) be in the affirmative, will he be pleased to state if the Government of India are prepared to give financial assistance on similar lines to the Indian shipbuilding industry in this country? If not, why not?

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar:** The attention of the Honourable Member is invited to the answer given by me to questions Nos. 422 and 423 on the 18th March.

## COLLAPSE OF THE ROOF OF IDGAH AT AGRA.

**498. \*Dr. Sir Ziauddin Ahmad:** (a) Will the Education, Health and Lands Secretary be pleased to state whether Government have seen a letter published in the *Hindustan Times*, dated the 1st March, 1940, under the heading "Dome and Taj"?

(b) Is it a fact that the roof of Idgah at Agra which was recently repaired by the Archæological Department collapsed?

(c) Did it collapse at a time when the prayers were being conducted under the roof?

(d) Do Government propose to make enquiries about the cause of the collapse of the roof?

(e) Did the Archæological Department make any inspection of the roof before it collapsed? If so, how many days before?

**Sir Girja Shankar Bajpai:** (a) Yes.

(b) The roof of the northern compartment of the Idgah has collapsed.

(c) No.

(d) Further enquiries are already in progress.

(e) The roof had been repeatedly inspected by the Archæological Department since April, 1939; and a joint inspection by the Public Works Department and the Archæological authorities was made in June last.

**Dr. Sir Ziauddin Ahmad:** After the collapse or before?

**Sir Girja Shankar Bajpai:** The collapse took place in January, 1940, the inspection was made in June, 1939.

**Dr. Sir Ziauddin Ahmad:** Have they submitted any Report to Government?

**Sir Girja Shankar Bajpai:** Not only did they submit their Report, but actually, in accordance with the recommendations made by the Central Public Works Department, repairs to the roof were effected.

## PROMOTIONS TO ASSISTANT'S GRADE IN THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

**499. \*Dr. Sir Ziauddin Ahmad** (on behalf of Maulana Zafar Ali Khan): Will the Education, Health and Lands Secretary please state:

(a) the total strength of the first, second and third division clerks, separately in the Department of Education, Health and Lands as it stood on the 1st May, 1930;

(b) the number of vacancies that occurred in the first division since 1st May, 1930;

(c) the number of new posts that were created in the first division since 1st May, 1930;

(d) the number of vacancies in the first division which were filled by promoting either second division or third division clerks;

- (e) the number of vacancies which were filled by appointing outsiders through the Public Service Commission or the Home Department, as the case may be; and
- (f) in how many cases a departure from the fifty-fifty per cent. rule was made in filling up the vacancies which occurred since the 1st May, 1930?

**Sir Girja Shankar Bajpai:** (a) Assistants, 35.

Clerks, Second division, 36.

Clerks, Third division, 11.

(b) and (c). Two new posts were created and in all there were twenty vacancies.

(d) and (e). Ten by departmental promotion and ten by external candidates.

(f) The Honourable Member's attention is invited to the reply I gave in the House on the 18th March, 1940, to part (d) of Haji Chaudhury Muhammad Ismail Khan's starred question No. 431.

#### PROMOTIONS TO ASSISTANT'S GRADE IN THE COMMERCE DEPARTMENT.

**500. \*Dr. Sir Ziauddin Ahmad** (on behalf of Maulana Zafar Ali Khan): Will the Honourable the Commerce Member please state:

- (a) the total strength of the first, second and third division clerks, separately, in the Department of Commerce, as it stood on the 1st May, 1930;
- (b) the number of vacancies that occurred in the first division since 1st May, 1930;
- (c) the number of new posts that were created in the first division since 1st May, 1930;
- (d) the number of vacancies in the first division which were filled by promoting either second division or third division clerks;
- (e) the number of vacancies which were filled by appointing outsiders through the Public Service Commission or the Home Department, as the case may be; and
- (f) in how many cases a departure from the fifty-fifty per cent. rule was made in filling up the vacancies which occurred since the 1st May, 1930?

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar:** The attention of the Honourable Member is invited to the reply given by me to starred question No. 429 on the 18th March, 1940. The permanent strength of the ministerial staff of the Department of Commerce on the 1st May, 1930, was the same as on the 1st May, 1929.

#### PROMOTIONS TO ASSISTANT'S GRADE IN THE LEGISLATIVE DEPARTMENT.

**501. \*Dr. Sir Ziauddin Ahmad** (on behalf of Maulana Zafar Ali Khan): Will the Honourable the Law Member please state:

- (a) the total strength of the first, second and third division clerks, separately, in the Legislative Department as it stood on the 1st May, 1930;



- (b) the number of vacancies that occurred in the first division since 1st May, 1980;
- (c) the number of new posts that were created in the first division since 1st May, 1980;
- (d) the number of vacancies in the first division which were filled by promoting either second division or third division clerks;
- (e) the number of vacancies which were filled by appointing outsiders through the Public Service Commission or the Home Department, as the case may be; and
- (f) in how many cases a departure from the fifty-fifty per cent. rule was made in filling up the vacancies which occurred since 1st May, 1980?

**The Honourable Sir Muhammad Zafrullah Khan:** (a) 18, 24 and 2 respectively.

(b) Ten of which two have been left temporarily unfilled in pursuance of the economy orders.

(c) None.

(d) Five.

(e) Three.

(f) The Honourable Member is referred to my reply to Haji Chaudhury Muhammad Ismail Khan's starred question No. 480 on the 18th March, 1940.

#### CRITICISM OF THE WORK OF THE DIRECTOR GENERAL OF ARCHAEOLOGY.

**502. \*Dr. Sir Ziauddin Ahmad** (on behalf of Maulana Zafar Ali Khan): (a) Will the Education Secretary kindly state if the work of the Director General of Archaeology has been severely criticised by Sir Leonard Woolley, the Archaeological Expert, who was deputed to examine it?

(b) Is it a fact that the Expert recommends that in future the excavation work should be conducted by an officer other than the Director General?

(c) Do Government propose to appoint an archaeologist over the head of the Director General?

**Sir Girja Shankar Bajpai:** (a) No. The report criticises the policy of the Department as a whole and not the work of individual officers.

(b) No. The report proposes the re-organisation of the Department so as to provide a separate specially trained staff for excavation. As hitherto the Director General would be in general control of the whole Department.

(c) The attention of the Honourable Member is invited to the reply given on the 8th of this month to part (b) of Mr. Muhammad Azhar Ali's starred question No. 305.

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**Dr. Sir Ziauddin Ahmad:** I am authorised to put this question, Sir

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair finds Member after Member is absent and has given authority to one Honourable Member to put his questions. This is not in accordance with the spirit of the practice, according to which an absent Member can be permitted to authorise another Member to put his question. The Chair trusts this sort of thing will not occur again.

**Dr. Sir Ziauddin Ahmad**: This is a very exceptional case, Sir.

**Mr. President** (The Honourable Sir Abdur Rahim): It must not become the rule.

#### CORK TREES GROWN IN INDIA.

**503. \*Dr. Sir Ziauddin Ahmad** (on behalf of Mr. Muhammad Azhar Ali): (a) Will the Education Secretary be pleased to state whether cork tree is grown in India? If so, where?

(b) Which parts of India are suitable for its cultivation?

(c) Have Government taken any special interest in cork cultivation? If so, what steps have been taken? If not, have Government any scheme in hand?

**Sir Girja Shankar Bajpai**: (a)—(c). The cork tree does not grow in India nor is it likely that any considerable areas suitable for its growth could be found.

#### INCREASE IN THE PRICES OF OPTICAL GOODS AND CERTAIN OTHER ARTICLES.

**504. \*Dr. Sir Ziauddin Ahmad** (on behalf of Mr. Muhammad Azhar Ali): (a) Will the Honourable the Commerce Member be pleased to state whether there is any increase in the wholesale and retail prices of the following articles as a result of war:

(i) Dental goods, such as, teeth and rubber used in making dental plates;

(ii) spectacle lenses, frames and cases;

(iii) medicines of all kinds;

(iv) glass, such as, sheets, tumblers, etc; and

(v) paper other than the type used by newspapers?

(b) If there has been an increase, what steps have Government taken, or propose to take, to stop further increase? Are Government aware that opticians have increased their wholesale prices by 100 per cent. to 500 per cent., including goods imported from Japan and made in India, and such increases are beyond the purchasing power of the masses?

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar**:

(a) There has been some increase in the prices of articles mentioned by the Honourable Member.

(b) As regards the first part, I invite the attention of the Honourable Member to the Notification of the Government of India in the Department of Commerce No. 20 published in the Gazette of India Extraordinary, dated the 8th September, 1939, delegating powers to Provincial Governments for controlling the prices at which certain articles or things may be sold. The question of revising these orders in the light of experience gained is under consideration. As regards the second part I have no information.

**MONOPOLY FOR THE PURCHASE OF WOOL GIVEN TO MESSRS. RELLIES AND BEINNEY'S OF MADRAS.**

†505. \*Maulvi Muhammad Abdul Ghani: (a) Will the Honourable the Leader of the House please state whether it is not a fact that Government have given the monopoly of the purchase of wool to Messrs. Rellies and Beinney's of Madras?

(b) Is it not a fact that Charles Lester Company, Bombay, strongly protested against the ruining of Indian trade by giving such a monopoly?

(c) Is it not a fact that Government would lose two crores or so, as they are not purchasing wool in the open market?

**The Honourable Sir Muhammad Zafrullah Khan:** (a) No. But Messrs. Ralli Brothers have been appointed sole purchasing agents for areas north of Bombay, and Messrs. Binny and Company, for areas south of Bombay, for such Indian wools as are required by the mills for the execution of Government contracts.

(b) No.

(c) No. On the contrary, the burden of most of the complaints received by Government (the justice of which, however, Government do not admit) is to the effect that by the institution of this system of unified purchase, Government are making an undue profit at the expense of the middleman.

**SUPPLY OF THE DEBATES OF THE CENTRAL LEGISLATURE TO PUBLIC LIBRARIES.**

506. \*Bhai Parma Nand: Will the Honourable the Leader of the House be pleased to state whether the Debates of the Central Legislature are supplied to any public libraries for the use of the public? If so, what are the names of such libraries?

**The Honourable Sir Muhammad Zafrullah Khan:** The answer to the first part is in the negative. The second part does not arise.

**AFFAIRS OF THE DELHI IMPROVEMENT TRUST.**

507. \*Sardar Sant Singh: (a) Will the Education Secretary please state the amount loaned out by Government to the Delhi Improvement Trust and the rate of interest to be charged thereon?

(b) What is the amount of the annual establishment charges of the Trust?

(c) What was the yearly expenditure of the late Nazul office which performed functions identical with those of the Trust?

(d) Is it a fact that the expenditure of the Trust exceeds that of the Nazul office? If so, is it proposed to abolish the Trust?

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

(e) Is it a fact that the Trust has issued two different sets of lease deeds for the same class of people and for the same locality (Rehgarapura) one of which debars the lessee from transferring by sale or mortgage his materials and the right in the land to his best advantage, while the other places no such restriction on the lessee? If so, why?

(f) Are Government aware that the Trust has become very unpopular amongst the people of Delhi who have represented more than once against its highhanded policy?

(g) Is it a fact that the Trust acquired lands (e.g., situated at Pul Andha Mughal, Ajmere Gate, Kare Khan Garden, Sarai Rohilla, etc.) from owners at prices below the market rates and at less than the amounts actually paid by them, and earned huge profits by selling these plots by auction or otherwise at prices much higher than those paid for them?

(h) If the reply to part (g) above be in the affirmative, will Government please state if such acquisitions are for public purposes within the purview of the Lands Acquisition Act?

**Sir Girja Shankar Bajpai:** (a) to (h). I have asked for certain information and shall furnish replies in due course.

#### APPOINTMENT TO THE POST OF DEPUTY DIRECTOR GENERAL OF ARCHAEOLOGY.

**508. \*Shaikh Rafiuddin Ahmad Siddique:** (a) Will the Education Secretary kindly state if the officer in charge of the Frontier Circle of the Archaeological 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 Proceedings) that the claims of the Muslim officer would not be affected for promotion to higher posts?

**Sir Girja Shankar Bajpai:** (a) I refer the Honourable member to the reply given by me to Mr. H. M. Abdullah's starred question No. 302 in this House on the 8th March, 1940.

(b) to (d). Do not arise.

#### GRIEVANCES OF MUSLIMS IN THE ARCHAEOLOGICAL DEPARTMENT.

**509. \*Shaikh Rafiuddin Ahmad Siddique:** (a) Will the Education Secretary kindly state whether there had been any cases where the powers relating to establishment matters exercisable by heads of offices in the Archaeological Department have been interfered with by the Director General in the case of Muslim officers to the disadvantage of Muslims and/or to the advantage of Hindus?

(b) Is it a fact that *inter alia* the Director General has allowed appeals of Hindu officials even in cases where appeals did not lie to him under Rules? Is it a fact that in some of these cases the appeals were not even forwarded by the immediate officers of the officials concerned, i.e., orders were passed on advance copies of the appeals?

(c) Is it a fact that, further, in some cases where orders were passed on advance copies, orders accepting the 'appeals' were communicated to the officials concerned direct by the Director General instead of through the heads of their offices as required under the rules?

(d) Is it a fact that some of the heads of offices concerned protested against this practice adopted by the Director General? Will Secretary please place a copy of those protests on the table of the House and of the connected correspondence?

**Sir Girja Shankar Bajpai:** (a)–(c). Government are not aware of any appeals against disciplinary action having been allowed by the Director General of Archaeology in India in circumstances in which appeals do not lie. The Honourable Member possibly has in mind certain representations made by ministerial officers in the Central Circle against orders of the Circle Superintendent requiring them to retire on reaching the age of 55. In the exercise of his general powers of supervision the Director General allowed extensions of service for one year each in two cases under Fundamental Rule 56(b). In both cases the final orders were communicated to the Circle Superintendent for informing the persons concerned, and only in one case the person concerned was informed direct when enquiry was made by him. So far as Government are aware, only in one of these two cases a Muslim subordinate was eligible for promotion to the post of the clerk who was due to retire. But it was necessary that the clerk in question should become familiar with accounts work of which he had no previous experience before he could be promoted. In the circumstances Government do not think that the extension granted to the Hindu clerk can be said to have affected the interests of the Muslim clerk adversely.

(d) It is a fact that the Circle Superintendent protested against the orders passed by the Director General in one of these two cases, but he subsequently withdrew his protest. Government are not prepared to lay copies of this departmental correspondence on the table of the House.

#### SHORT NOTICE QUESTION AND ANSWER.

**ARREST OF ALLAMA-I-MUSHRIQI, LEADER OF THE KHAKSARS, UNDER THE DEFENCE OF INDIA ACT.**

**Dr. Sir Ziauddin Ahmad:** (a) Will the Honourable the Home Member please state whether it is a fact that the Government of India arrested Allama-i-Mushriqi under the Defence of India Act?

(b) Has the action been taken on the ground that Allama-i-Mushriqi was about to act in a manner prejudicial to the efficient prosecution of the war and public order, as reported in the *Hindustan Times*, dated the 20th March, 1940?

(c) Are Government aware that Allama-i-Mushriqi offered fifty thousand Khaksars to fight on the Allies' side in the war and also was willing to offer more Khaksars if needed?

(d) Will Government be pleased to state the information they have in their possession which made them come to the conclusion that Allama-i-Mushriqi was about to act in a manner described in part (b) above?

(e) Will he be detained in Delhi or sent to some other station?

(f) Will the Honourable Member be pleased to give a full statement, or as much as he would like to give, for taking such action?

(g) Have Government issued instructions to other Provincial Governments to ban Khaksar movement? If so, why?

(h) Have Government seen the press communiqué published in the newspapers on the 20th March, 1940, that Allama-i-Mushriqi has issued orders to his followers, opposing Khaksars massing in Lahore?

**The Honourable Sir Reginald Maxwell:** (a), (b), (d) and (f). The Government of India have detained Allama Inayatullah Khan Mushriqi under the Defence of India Rules with a view to preventing him from acting in a manner prejudicial to the efficient prosecution of the war, to the defence of British India and to public order. On the 28th February 1940, the Government of the Punjab issued orders under Rules 58 and 54 of the Defence of India Rules prohibiting, subject to certain exceptions, the performance of exercises of a military nature and the carrying of arms in processions. These orders did not specially refer to the Khaksars but that organisation regarded them in the nature of a challenge and the official party organ, the *Al-Islah*, in its issue of the 15th March condemned the orders as a threat to the movement and declared that even if all the leaders were arrested the movement would not subside until every Khaksar had bathed in blood. The same issue of the paper contained the following instructions under the title of "Orders from Headquarters":

"If the Punjab Government declares War, the Provincial leaders of 15 Provinces of India will send 30,000 Khaksar soldiers to Lahore within one week . . . . . All soldiers should remain peaceful and implicitly obey the orders of the Deputy Leader, Lahore Front, whose orders will be absolute and final. The number of 'Janbaz' (those pledged to give their lives) is 1,300. They should arrive as soon as possible. In case war is declared they should reach the bed of Sir Sikander within five days from every part of India, and surround it with corpses."

The inconsistency of the injunction to remain peaceful with the reference to a bath in blood and to corpses is too obvious to need any comment.

The issue of these instructions was closely followed by the serious disturbance which took place in Lahore on the 19th March as a direct result of the Khaksars defiance of the Punjab Government's orders and which, as the House is aware, involved serious casualties both among the police and the Khaksars. In the circumstances the Government of India are fully satisfied that Allama Mushriqi, the founder and leader of the Khaksar organisation, must be held largely responsible for the action taken by his followers, and that there was ample justification for his arrest which was necessary to prevent so far as possible further occurrences of a similar tragic nature.

(c) No such offer has reached the Government of India.

(e) and (g) I have no information to give at present.

(h) The Government have seen a press report to that effect.

**Sir Muhammad Yamin Khan:** The Honourable Member said that Allama-i-Mushriqi has been detained in order to stop him from interfering with the efficient prosecution of the war. The Honourable Member has not however explained how Allama-i-Mushriqi was interfering with the prosecution of the war or how his actions had that effect?

**The Honourable Sir Reginald Maxwell:** The Honourable Member has not evidently heard what I said. I said that he was detained under the Defence of India Rules with a view to preventing him from acting in a manner prejudicial to the efficient prosecution of the war, to the defence of British India and to public order. These are the actual words of the Defence of India Rules.

**Sir Muhammad Yamin Khan:** So far as stopping disorder is concerned, that has been fully explained, but the Honourable Member has not explained the first two points, namely for the proper prosecution of the war and the defence of British India. How are these two things affected with Allama Mushriqi remaining at large?

**The Honourable Sir Reginald Maxwell:** I think it should be obvious to any Honourable Member that anything that seriously prejudiced the public order and that would result in rioting in public, ending in a large number of casualties, would prejudice the efficient prosecution of the war.

**Dr. Sir Ziauddin Ahmad:** Do I understand that any kind of rioting that is carried on would interrupt the efficient prosecution of the war and will be dealt with under the Defence of India Rules?

**The Honourable Sir Reginald Maxwell:** Certainly, Sir, any serious rioting would prejudice the efficient prosecution of the war.

**Mr. Lalchand Navalrai:** Is the Honourable Member aware of the statement of the leader of the movement, Allama Mushriqi, in which he says that he had given no instructions to his follower Khaksars massing in Lahore? Is there any truth in that statement?

**The Honourable Sir Reginald Maxwell:** What I read out came from the official party organ of Khaksars, the *Al-Islah*, and was a signed article.

**Dr. Sir Ziauddin Ahmad:** The Honourable Member said that the Government of India were not aware that Allama-i-Mushriqi made an offer of fifty thousand soldiers. May I remind him that he sent a telegram to the Viceroy which was detained by the Provincial Government and sent after a considerable time and I myself sent a copy of the telegram to the Viceroy, and I did not know that the Viceroy was different from the Government of India?

**The Honourable Sir Reginald Maxwell:** If the telegram was detained that is why it did not reach the Government of India.

**Dr. Sir Ziauddin Ahmad:** I thought any telegram sent to the Viceroy in connection with the offer of soldiers would go to the proper authorities in the Government of India, and the Home Member ought to know something about it.

## ELECTION OF THE STANDING COMMITTEE FOR THE LABOUR DEPARTMENT.

**Mr. President** (The Honourable Sir Abdur Rahim) : I have to inform the Assembly that upto 12 Noon on Wednesday, the 20th March, 1940, the time fixed for receiving nominations for the Standing Committee for the Labour Department only three nominations were received. As the number of candidates is equal to the number of vacancies, I declare Mr. C. C. Miller, Shaikh Rafiuddin Ahmad Siddiquee and Pandit Lakshmi Kanta Maitra to be duly elected.

## STATEMENTS LAID ON THE TABLE.

**The Honourable Sir Jeremy Baisman** (Finance Member) : Sir, I lay on the table a copy each\* of (1) Central Government Commercial Appendix to the Appropriation Accounts (Civil) 1938-39 and the Audit Report 1940, (2) Central Government Appropriation Accounts of the Defence Services for the year 1938-39, (3) Central Government Audit Report—Defence Services, 1940.

## THE AGRICULTURAL PRODUCE CESS BILL.

### PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

**Sir Girja Shankar Bajpai** (Secretary, Department of Education, Health and Lands) : Sir, I present the Report of the Select Committee on the Bill to make better financial provision for the Imperial Council of Agricultural Research.

## THE NATIONAL SERVICE (EUROPEAN BRITISH SUBJECTS) BILL.

**The Honourable Sir Muhammad Zafrullah Khan** (Law Member) : Sir, I beg to move for leave to introduce a Bill to make certain provisions relating to service by European British subjects in the armed forces of, or in a civil capacity under, the Crown.

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

“That leave be granted to introduce a Bill to make certain provisions relating to service by European British subjects in the armed forces of, or in a civil capacity under, the Crown.”

The motion was adopted.

**The Honourable Sir Muhammad Zafrullah Khan** : Sir, I introduce the Bill.

\*Not printed in these debates, but placed in the Library of the House—*H. of D.*



## THE PETROLEUM (AMENDMENT) BILL.

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar** (Member for Commerce and Labour) : Sir, I beg to move for leave to introduce a Bill further to amend to the Petroleum Act, 1934.

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

"That leave be granted to introduce a Bill further to amend the Petroleum Act, 1934."

The motion was adopted.

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar** : Sir, I introduce the Bill.

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## THE INDIAN TARIFF (AMENDMENT) BILL.

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar** (Member for Commerce and Labour) : Sir, I beg to move for leave to introduce a Bill further to amend the Indian Tariff Act, 1934.

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

"That leave be granted to introduce a Bill further to amend the Indian Tariff Act, 1934."

The motion was adopted.

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar** : Sir, I introduce the Bill.

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## THE INSURANCE (AMENDMENT) BILL.

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar** (Member for Commerce and Labour) : Sir, I beg to move for leave to introduce a Bill further to amend the Insurance Act, 1938.

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

"That leave be granted to introduce a Bill further to amend the Insurance Act, 1938."

The motion was adopted.

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar** : Sir, I introduce the Bill.

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## THE INDIAN TARIFF (SECOND AMENDMENT) BILL.

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar** (Member for Commerce and Labour) : Sir, I beg to move for leave to introduce a Bill further to amend the Indian Tariff Act, 1934 (Second Amendment).

I should like to add that this Bill refers to the sericulture industry and I hope to place in the hands of Honourable Members tonight a copy of the report of the Tariff Board on that industry.

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

"That leave be granted to introduce a Bill further to amend the Indian Tariff Act, 1934 (Second Amendment)."

The motion was adopted.

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar** : Sir, I introduce the Bill.

### THE INDIAN FINANCE BILL.

**The Honourable Sir Jeremy Ralsman** (Finance Member) : Sir, I move :

"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."

I shall not make a speech on this motion for two reasons. One is that the budget speech already furnishes the background and the reasons for these proposals, and the other is that in the special circumstances of this year this House has already been debating and dealing for several days with the Excess Profits Tax Bill which must be regarded as a part of the financial proposals of this year. Sir, I move.

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

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the rate of 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."

**Sir Muhammad Yamin Khan** (Agra Division : Muhammadan Rural) : Sir, this year after a long time we have a Finance Bill which will be supported on all sides of the House. It has been presented this year in exceptional circumstances of the war and I feel confident that there is no one here who does not desire the war to be conducted in the best manner and with victory for India which is a part of the Empire that is now at war against aggression. So there is no one who will refuse the supplies needed to meet the defence of the country and the defence of the principle for which the allies are fighting. A portion of the eight crores needed for that purpose has been met by the Excess Profits Bill which was passed yesterday. The other items chosen to meet the deficiency are sugar and petrol on which excess taxes have been proposed. I do not know why the Finance Member chose these two items. I do not of course say that these taxes should not be supported, at least for this year. I would like to know the reason why the Honourable Member has chosen these two taxes in view of the circumstances prevailing in the country. At least this House is entitled to have further elucidation of this point and also whether other avenues for revenue have been touched, because this tax is going to affect a large portion of the population of this country.

I will deal with these taxes item by item and the first item that I wish to take is sugar. Now, refined sugar is going to pay 50 per cent. more excise duty. As we all know, sugar is used by every individual in this country. It may be said that some people use raw sugar and *gur*, but nowadays it has become a fashion to use the refined sugar, because it is manufactured in India. There was some prejudice in the mind of a certain section of the population when sugar used to be imported from foreign countries because of their religious feelings. They suspected that it may have been refined through certain chemical processes which may be objectionable to their religion. But as sugar is being manufactured in this country, that objection has been removed. So, sugar has the same effect on the poor people as salt has. If you make sugar more costly, then the poor people will be affected by this tax. As I said in my speech on the Budget, the price of sugar has been increased by four times the increase in the excise duty. This may not be true of the manufacturers of sugar but the retail dealers are doing this. In either case the poor consumer has to bear the brunt of this increase in the excise duty. When the poor consumer is going to suffer economically in so many other ways, how is it that the Honourable the Finance Member has thought fit to increase the excise duty on sugar also? We would like to have some elucidation on this point. I know that it has affected beneficially a certain class of people because the price of sugar-cane has gone up. Sugar-cane used to be sold at five annas a maund in the United Provinces last year but this year the price has gone up and the cultivator will undoubtedly be benefited and some wealth will go into the villages which they would not otherwise have got. But what about the poor population living in the urban areas with fixed incomes and the labourers in the towns who have got very limited means? If they have to pay more for sugar, they will feel it very much.

**Sardar Sant Singh** (West Punjab: Sikh): They can eat *gur*.

**Sir, Muhammad Yamin Khan:** But the price of *gur* will also go up along with the price of refined sugar. If you make the refined sugar costlier, *gur* will also become *ipso facto* costlier. *Gur* used to be sold at the rate of Rs. 5 a maund and now it will be sold at the rate of Rs. 8 a maund. The two things cannot remain aloof from each other. I do not mind if the price of sugar goes up because my personal consumption of sugar is very little as compared to the benefit which I will have by rise in price of sugar-cane. But leaving aside personalities, the general public will be very adversely affected by this tax. It may be said that since the last war the wages have been increased and the income of some people has gone up by 50 per cent. But we should not lose sight of the fact that their ways of living have also been changed. Once the labouring classes begin to earn more, their standard of living also goes up. Formerly labourers used to live very cheaply but now they want to go to the cinema once a week. Then, there are certain other things which have become part of their life. They have become used to dress themselves in a particular fashion. Their women folk were content with khaddar before the last war, but now they are wearing cheap Japanese stuff, such as, artificial silk. It may be said that that is not beneficial for India, but all the same these are the facts and we cannot ignore them. When a man is accustomed to live in a certain style and if he cannot live in that style, he is adversely affected.

[Sir Muhammad Yamin Khan.]

On many occasions my Honourable friend, Sir Henry Gidney, has said that he is an Indian and he would like to be treated as an Indian, but when the question of wages for his community came, he successfully persuaded the Government to pay higher wages to the members of his community for doing the same sort of work that an Indian does. The argument put forward was that he is accustomed to live in a certain way and, therefore, he cannot afford to live on a lesser salary than the minimum he mentioned. In the same way the argument can be advanced here that these people were formerly living on a lower salary and why should they not do so now? It can be argued similarly that my Honourable friend would not be content now with the salary on which he started his career: he cannot live on that salary now: probably he spends more on his house rent now than what he got as salary then. His life has become different and he is living in a different atmosphere. So the argument that these people can adapt themselves and live on lesser salaries will not apply. The minimum wage cannot be reduced: these people cannot live on the wages they used to get before. It will affect not only the ordinary employees but it will seriously affect the industries also. The industrialists will have to pay more wages to labourers. We have been hearing about strikes in Cawnpore, Bombay and other places. If their cost of living is increased the result will be a serious impediment in the development of our industries, as the industries will not be able to pay more wages. Therefore one side only of the agriculturists' activity should not be taken into account: all other factors have to be fully considered; and this House is entitled to know when the Honourable Member says that this may be called a popular rather than an unpopular tax . . . .

**The Honourable Sir Jeremy Raisman:** Are there any popular taxes?

**Sir Muhammad Yamin Khan:** The excess profits tax is a popular tax, because it is based on justice and on an equitable principle. The test of popularity is this. If 50 per cent. of the people say it is not good and the other 50 per cent. say it is good, then it is not a popular tax. Even if 25 per cent. say it is unpopular, it is unpopular. I would go further and say that even if five per cent. of the people say it is unpopular, it is unpopular. But when two or three or five thousand people only are going to be affected out of a population of 36 crores, there can be no question about it, that it is a popular tax. Of course, you may listen to those five thousand people only, who may go and talk to you and want to impress on you that the tax is unpopular, while the others' voices cannot reach you; but that does not make it unpopular. It remains popular in spite of the drum-beating of those who are affected. The Honourable Member himself has clearly and lucidly explained the principle on which he wants to take away from those who have made money, on account of the war, a small proportion of their profits: it is a very good principle and even those who are affected cannot deny the justice of the principle. It is a popular tax. But here you find that the men affected are poor labourers. He might have seen them in the villages in his younger days and how they come and work in the towns and what they eat. Their breakfast consists of one *roti* or bread—probably cooked the previous night—with a small onion and a little salt. At mid-day if he gets anything he takes a *roti* with a small piece of *gur* and a glass of water. During the winter months *gur* is a chief ingredient in his meal: and if there is a rise in its price it becomes a luxury. Probably if you give him two annas as

*bukhsheesh* he buys a few sweets for his children and himself and it is a big feast for him and he enjoys the sweets much more than my Honourable friend enjoys a luxurious dinner with champagne: that is his champagne dinner—a few sweetmeats. That is his condition; and if you are going to affect that, it is to be seen whether it is a popular or an unpopular tax. For this reason I ask the Honourable the Finance Member to give full consideration to the matter without thinking that I am opposed to any kind of taxation during an emergency. But for the war I should have opposed this unpopular tax.

The other tax is the petrol tax. My Honourable friend, the Leader of the European Group, has spoken about this in a very guarded language. He said the limit was being reached when no further taxation could be imposed. He did not say frankly that this was a bad tax: he merely said: "All right, you have introduced it and we will support it because we cannot help it; but it is not a good tax and the limit has been reached or approached when the time will come for diminishing returns". Others may take it differently, but I take that as a serious warning from the Member who speaks on behalf of his Group which is mostly concerned in the production of petroleum.

There is the excise duty, there is the railway freight, there is everything which has to be taken into consideration, there is the road tax, then there are further taxes, and further taxes. Probably they do not get two annas per gallon. The people who sell it—their whole income is probably less than two annas in the gallon.

**An Honourable Member:** Who says that?

**Sir Muhammad Yamin Khan:** They do not make more than two annas, and the rest goes in railway freight, excise duty, road duty and so on. Ordinarily, you should see that you do not make a commodity many times more expensive than it is in far distant countries. In London the petrol sells at one shilling per gallon.

**An Honourable Member:** Not now.

**Sir Muhammad Yamin Khan:** You are talking about the war, that is a different thing because it is controlled, but I am comparing the price which prevailed here before the war and the price which prevailed before the war in London. It was a shilling per gallon in London.

**Mr. A. Aikman** (Bengal: European): Never. About 1s. 6d, the equivalent of a rupee.

**Sir Muhammad Yamin Khan:** I stand corrected, but when I was in London, in 1933, it was selling at one shilling while it was Rs. 1, 6 annas here. In Bombay it was 15 annas per gallon when Russian petrol came in, but the Delhi people had to pay much more, something like Rs. 1-10-0 or Rs. 1-9-0. I am told by people who have visited other foreign countries—I have not visited those countries recently—that it sells at less than a rupee per gallon. The motor car is as much a necessity to a man in the interior of this country as in any other part of the country. About 20 years ago it was considered to be a luxury, but, surely, it is not a luxury now-a-days. It is a necessity. It does not affect merely one or two persons. Even the poorest man is affected because the

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bus travel is a necessity for coming from the village to the town. It is the duty of Government to follow such a policy as to keep the price of petrol on the same level more or less. It may be that the freight from Delhi to Karachi or Bombay causes difference in price, but why should a man simply because he lives in a coastal town be in a better position than the other man who lives in the interior—why should there be a big difference in the prices that they pay? I do not mind a little difference, but the policy should be that the price should be kept on the same level in the case of petrol. If a man in Bombay or Calcutta spends Rs. 50 on a motor car, the man here has to spend Rs. 150, though his requirements are the same and the conditions are the same.

**The Honourable Sir Jeremy Raisman:** Sea bathing is cheaper in Bombay too.

**The Honourable Sir Muhammad Yamin Khan:** Sea bathing is not available in Delhi at all. Here bathing in the well is cheaper than in Bombay. Here we have got the river Jumna where you can go for a swim.

As regards taxation, we should see that the taxation is such that the living is not made too costly for the poor people. It may be said that when they increased the railway fare they must also increase the price of petrol in order to see that the buses do not compete unfairly with the railways. But the tax should be one which is not resented by the masses of the people who practically do not understand what the tax is really, excepting when they have to pay a direct tax. The railways have increased the fares by one anna in the rupee but the bus owners cannot raise their charge by even two pies in the rupee and the result is that the bus owner will be losing and, ultimately, he will stop the running of buses and a smaller number of buses will run to the great disadvantage . . . . .

**Dr. P. N. Banerjee** (Calcutta Suburbs: Non-Muhammadian Urban):  
 . . . . . of the travelling public but to the great advantage of the railways.

**Sir Muhammadan Yamin Khan:** Railways would not gain because the buses run only in those places where the railways do not go or where there are not proper railway timings. If people want to go to Delhi from a small village to attend the court, they may have no railway running from that place to Delhi or the railway timing may be inconvenient. Supposing the train came here at 11 o'clock and the man has to be present in the court at 10 o'clock, he cannot come by that train. If he has to come to Delhi he must reach here before 9 o'clock to be present in the court at 10 o'clock. He has got summons to be present there and litigants must present themselves in proper time. Therefore, they have to take the buses. If you make the buses costlier, it will greatly affect the poor consumer who as I said before, will not be able to afford to pay the extra charge, or he may grumble, which may ultimately affect the prosecution of the war. The Honourable Member today gave a reply that because there may be a riot in one town here, it may adversely affect the prosecution of the war in France. I could not understand the relationship of the two things. I could not for a moment connect the two things—namely, that a riot in one place which can be controlled easily,—of course I do not mean to say that I can support what Allama Mashraqi said—that there

should be people who should come there to fight, and all that nonsense, to lay down their lives or anything of that kind—but at the same time I could not connect the two things. If the Honourable Member can connect these two things, that a mere riot can affect adversely the prosecution of the war, I think that the rise in prices can seriously affect the proper prosecution of the war, because I do not want at this time that there should be engendered any kind of feeling of suspicion that the Government are out to take the money from the poorer people. I do not want to strengthen the hands of those people who are not helping the Government for the prosecution of the war—to make mountain of a mole-hill. No weapon should be given which they may use to create discontent in the country and any kind of duty, even excise duty on the smallest industry which affects the poorest people would not be desirable. In the special circumstances as I have explained in the case of sugar, simply to balance our budget we will give our support to the petrol tax but we want to make it quite plain and clear that this increase is not a desirable one. Far from approaching the limit, it has far exceeded the limit and this limit should be lowered down.

On account of the war many industries might be developed in this country by the starting of the manufacture of many things which we used to import but which cannot be imported now from other countries. First of all, prices have gone up very high and India should take advantage of that. The second thing is that we may not be finding shipping facilities so well as we used to get for the competition of the commerce and both these things must be taken advantage of at this time and for this purpose every kind of facility should be given to the manufacturers of this country. I would not allow them to say that they would not start these industries unless they can get a very high rate of profit. That is not patriotic. If any Indian wants to say this, that he will not invest any money in the development of the resources of this country unless he gets a very high rate of interest or profit, I would say that he has no patriotism in his mind at all. If he wants this House to help him he must show patriotism himself and he should be content to take smaller profit, the profit which he used to get before and to increase the output. Instead of raising the prices, he should try to manufacture more goods which may bring, ultimately, a higher return and with this object I would suggest to the Honourable the Commerce Member and the Honourable the Finance Member that every kind of facility should be given to those industries and those concerns which are ready to come in the proper spirit of patriotism to develop this country at this time.

We have known that the prices of medicines have gone very high. Now, we find that prices have come down to a reasonable level and the reasons are two. The first is that medicines which we used to get from Germany were stopped and people had a kind of panic that prices will be increased but now the prices have come down on account of two reasons. First of all, these medicines are found to be in great stock either in India or in England and they have come in. The second thing is that India has started manufacturing medicine and they are taking this seriously. India cannot become absolutely independent. In fact, even many of the European countries cannot become self-sufficient. They cannot do it and India is only in infancy in this respect as far as chemical knowledge is concerned. There are many graduates, M.Sc.s. and D.Sc.s. in Chemistry who can be employed with greater advantage for the manufacture of

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medicines and we should take advantage of the German Jewish doctors who have been forced to leave Germany and take refuge in this country. They are great experts in this and they can be asked to give the necessary help in teaching and training young Indians for this work. Government should take full advantage of them. I find that in Bombay there is a factory of which there is also a branch here. It is doing very good work and it should be the duty of the Government to help these people, at least in the manufacture of those things which we used to import from Germany; because we find that every 25 years the German nation comes up and involves the whole world into a war and that may dislocate many things in ordinary Indian life. Therefore, if any goods used to come from Germany and they can be manufactured in this country, Government should give subsidies and encourage the manufacture of those things and I would suggest that if any extra money is gained by the Government—more than what they require—from these three taxes, that should be utilised for improvements in this direction and India should be made self-contained so far as these German goods are concerned.

I would also suggest in this connection—though it may be thought that I am taking a too serious view about it—that scholarships may be given to boys to go to England even during the present war. It is not unsafe to live in England. They have got their works going on and many things are made there which are not made in peace time and those subjects and those things may be found out and promising students might be sent there to learn those things, so that after the war, full advantage may be taken here of their studies. I do not want to go into details by suggesting different concerns in which they can be properly educated because I am sure the Honourable the Commerce Member is fully cognisant of it and he has got more material before him than I have as to what would be the proper subjects in which young Indians can be educated and they can become a great asset to the country in the near future.

Sir, I should like to suggest that sufficient encouragement should be given for the development of cottage industries. These cottage industries do not require much capital, and if a little encouragement is given to cottage industries, India will soon become self-supporting. Many things which we cannot obtain in this country can be manufactured in the villages, but the difficulty is that India has begun to think itself to be a mill making industrial country, because those who are interested in manufacturing goods in mills consider that milling is the only industry that should be developed. These people have enough capital behind them, and they can make their voice heard in the right quarters; and they can agitate for their privileges and rights, while people engaged in cottage industries in our villages are not sufficiently educated, and so they do not understand what will be good for them. So, I feel that it is the duty of the Government, when they take taxes from the villagers, to encourage them by providing them enough facilities to develop cottage industries. It must not be thought that in the villages the population is interested only in agriculture; they are also interested in the manufacture of many small things like shoe-making and the like, but these industries receive little patronage from the Government nowadays. We have village blacksmiths and village artisans who are entirely dependent upon the manufacture of their wares. Therefore, sufficient encouragement should be given to these people so that they may continue to live upon their own work and find enough employment.



Now, Sir, before the Education Secretary leaves, I should like to say one thing. The subject of Taj Mahal was introduced in this House only a few days ago by means of a question. I am interested in the Mausoleum, because I naturally like to take interest in our old and ancient monuments like the Taj Mahal. Another point is that as I represent the Agra Division in this House, and as Taj Mahal happens to be in Agra, I feel it my duty to bring this matter to the notice of the Honourable Member. Taj Mahal is a very important monument as it attracts people to India from far off lands, and, therefore, as a representative of Agra Division, I am interested in this monument more than any other. It was brought to the notice of the Honourable Member that there was some defect in the dome of the building, and the Honourable Member replied that he was looking into the matter and that the Public Works Department have already taken up the work of repairs in hand by putting up a scaffolding to find out the exact defects. I am aware that the Archæological Department is fully alive to the needs and requirements of Taj Mahal and that it should not be endangered in any manner, but, Sir, one thing has come to my notice recently after that question was put in this House. The Dome of the Mausoleum has two parts, one inner part and the other outer part or upper part. The internal side of the upper Dome is made of red stones. Till now it was considered that it was made of bricks, but it is not the case. We find it is made of red stones, and above it there is marble. These red stones have left their places in some cases as much as 1½ ft. and if, unfortunately, one of the stones happens to give way from the arch, it will practically mean the collapse of the whole dome. I hope the staff which is engaged in detecting the defect will be able to discover the exact mistake and set it right without much delay. I have heard of this defect from the authority of a person whose veracity I can vouch for, and he took the trouble to go to the roof and examine the whole thing for himself. Therefore, if one of the red stones were to give way, it will cost the Government an enormous amount of money to replace it. Therefore, Sir, it is high time that proper precautions were taken to see that the dome is properly repaired. It is, of course, a difficult task, because one has to climb up like a monkey to see what exactly is wrong. I trust the Honourable Member in charge will see to it that if there is any real danger of that kind, he will be good enough to depute qualified engineers to examine the position and to set right the defect in time, so that he may not come before this House and ask for a bigger supplementary sum. The Taj Mahal is an asset to India and cannot be allowed to tumble down. I understand that when the Taj Mahal was built by Shah Jahan, several expert engineers from all over the world were invited to carry out the work. I, therefore, think that the Honourable Member in charge will take the help not only of his own Department but also of the Department over which the Honourable Sir Andrew Clow presides and put right this defect . . . . .

**Sir Girja Shankar Bajpai** (Secretary, Department of Education, Health and Lands): The Central Public Works Department has already been asked to look into the matter.

**Sir Muhammad Yamin Khan:** I am very glad to hear, Sir, that the Central Public Works Department is taking up this matter, and they will be quite competent to execute this work.

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As far as archaeology is concerned, I may inform the House that I visited some places round about Delhi and I found that though the Government are spending large sums of money to keep them in good repairs, still there is room for spending larger sums of money. I do not know how much is really spent on salaries and how much on repairs. There is great danger to many of the old buildings like the Qutub. I need not go into details. I simply draw the attention of the House that in any case larger sums should be spent. I know that the present time is not very opportune for spending more money. But even in these times of financial stress, we cannot allow our assets in the shape of architectural works to go to ruin. These works really beautify India and show to the world at large what great engineers India produced in the past who could also give lessons to modern engineers.

**Dr. P. N. Banerjee:** What about fresh excavations?

**Sir Muhammad Yamin Khan:** I have been pressing this point here for a long time and I think if we excavate a place like Hastinapura, it would really add to the knowledge of history. Pandavas ruled over the place and what little we know of their civilization is only from one book, the Mahabharata. This book reveals to some extent the glory of the ancient civilization of the Pandavas, but if we want really to know everything about this civilization, they lie buried in ruins underground. We cannot know the real history unless the excavation of this place is undertaken.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member is roaming from the Taj Mahal to Mahabharata. He ought to consider that there may be other speakers who might wish to take part in this debate.

**Dr. Sir Ziauddin Ahmad** (United Provinces: Southern Divisions: Muhammadan Rural): Not many speakers.

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair knows there are several Honourable Members who wish to take part. The Honourable Members have been putting questions on the subject and there have been demands for grants for the Archaeological Department when he could have spoken.

**Dr. Sir Ziauddin Ahmad:** I rise to a point of order. This has been the practice, Sir.

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair does not want any explanation from the Honourable Member.

**Dr. Sir Ziauddin Ahmad:** I rise to a point of order, Sir. It has been the practice in the case of the Finance Bill that Honourable Members are allowed to have their full say on every branch of the Government of India, except Railways.

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair is perfectly well aware of the practice, and it does not want to discontinue this practice. At the same time, the Chair would ask all Honourable Members to bear in mind that no undue advantage should be taken of this practice by any particular Honourable Member.

**Sir Muhammad Yamin Khan:** I hope I am not taking any undue advantage. I hope the Honourable the President does not think that I am doing so. I am the last person to do so.

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair only reminded the Honourable Member that there are other Members who wish to speak.

**Sir Muhammad Yamin Khan:** Because a question was put to me by an Honourable Member about fresh excavations, I had to reply to the interruptor.

**Mr. President** (The Honourable Sir Abdur Rahim): It is not for any single Honourable Member of the House to take up the entire time of the House in order to discuss all sorts of matters.

**Sir Muhammad Yamin Khan:** Over the Finance Bill there is no time limit fixed for speeches.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member must not go solely by that. There are other opportunities for dealing with the subject he is referring to.

**Sir Muhammad Yamin Khan:** I shall conclude, Sir, shortly. I was saying that from a historical point of view, it would be as well that these excavations take place and correct information gathered to rewrite Indian history of the ancient period for which at present there is only one book, the Mahabharata. We must find out by other ways how these ancient people lived and for this there must be excavation of Hastinapura. I do not want to press this point too much if there is no money forthcoming in the present budget. I should like this to be taken up the very first thing whenever money is available.

As far as the Education grant is concerned, it should not be curtailed even during the war. I should like, however, something more substantial being budgeted.

I will finish now, Sir, because I take the hint of the Honourable the President. There may be other speakers. In conclusion, I should like to say that these taxes which are being proposed will be fully supported by this House on the distinct understanding that they will remain in force only during the war and no more. I shall be glad if the Honourable Member will find some substitute for these taxes in the coming year, if he can do so easily. With these words, I give my support to the consideration of the Finance Bill. I hope it will be passed unanimously.

**Mr. A. Aikman:** Mr. President, it is not often that on the occasion of the Finance Bill, a Party Leader unlike my Honourable friend, Sir Muhammad Yamin Khan, finds himself in a position in which he has so

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little to talk about as is my happy lot today. This is even more remarkable when the Finance Bill is one that imposes additional taxation. At the time when the Honourable the Finance Member introduced his Budget I expressed the view of my Group that his Budget and the Finance Bill, that is, its child, can only fairly be judged against the background of war. In our opinion the additional taxation imposed is such that by its very nature will fall on the shoulders of those best able to bear it. We can only hope that untoward circumstances in the coming year will not so seriously upset the revenues of the Government of India as to force the Honourable the Finance Member to bring yet another Finance Bill before this House as he has warned us might in certain circumstances be necessary. Here, in Delhi, it is sometimes difficult for all of us to appreciate that the great struggle in which Britain and France are now engaged is one in which this country is vitally concerned. I sometimes wish that more Honourable Members could have had an opportunity of seeing Britain and France at war today as some of us have had the opportunity of doing. The attitude of a great political party in absenting itself from this House and in withdrawing from office in the Provinces is one that I feel that party would not have taken had the Working Committee of the Congress shown any appreciation of realities. It is to the interest of India no less than of Britain that the Allies should emerge triumphant from this war; and to the extent that the Congress Party by non-co-operation is preventing India from making the great contribution that she might to the success of the Allied powers, to that extent they are doing incalculable harm to the country.

In those circumstances it is a matter of satisfaction that where one party has so lamentably failed there are others in India more alive to the great deciding factors at work in the world politics. The Government of India by reason of the action it has taken in various directions since the outbreak of the war have shown how much they appreciate that whatever the war effort that India has to make there are two paramount considerations they must always keep before them. The first is that the mass of the people should enjoy the benefits of the slight rise in prices that is bringing added prosperity to the cultivating classes. The second consideration is that stability of the price structure is of vital importance to the well-being not merely of the industry but of the country as a whole. There is no factor more important to the maintenance of that stability than a balanced Central Budget. This the Honourable the Finance Member has sought to achieve by means of the new taxation imposed in the Bill now before the House. As regards that Bill itself I desire to comment on two points and refer to a third. The first is the provision in the case of an association of persons being a co-operative society of certain concessions in regard to the rates of super-tax applicable to them. This is a valuable concession to societies supported mainly by relatively poor people, and as such it should be welcome to every one. The second point, Sir, relates to the compounding of the surcharge on motor spirit, which has now been merged in the ordinary excise duty. Here, as in the case of the balance of the surcharge on income-tax, an emergency duty levied in 1931 has been converted into an ordinary tax. No one will quarrel with the Government at this time in respect of such a matter, but a passing comment upon it seems called for.

The third item concerns the increase in sugar excise. As regards the increase in this tax my Group are unanimous that it is a sound way of

filling part of the gap between revenue and expenditure. My colleague, Mr. Ramsay Scott, however, holds divergent views as to the date when the levy should commence and I shall leave him to put his point of view before the House.

Now, Sir, I have been listening to some of the arguments of my learned friend, Sir Yamin Khan. I believe I am complying with convention when I refer to him as learned, but some of his arguments I have been unable to follow, particularly with regard to output and costs; and I am reminded of a story which with your permission I should like to tell the House. It concerns a farmer who used a number of draught horses on his farm and who specialised in having always either black horses or white horses; he continued to do this for many years. But a visitor went to see him one day and he found that he had only black horses. He commented on it and asked him why he now used only black horses instead of having some white horses. So he explained to his friend that he had discovered that the white horses ate more than the black horses and so he had got rid of the white horses. This struck his friend as being very extraordinary and he asked him if he had any idea why it was that the white horses ate more than the black horses. The farmer's reply was that he had gone into the matter and discovered that the reason was that he had had more white horses than black horses! Sir, I support the motion.

**Dr. F. X. DeSouza** (Nominated Non-Official): Sir, the discussion of the Finance Bill is, according to the theory of the Constitution, an occasion for the Honourable Members of this House to voice the grievances of the people and to pray for redress. The theory of the Constitution is that no supplies are to be voted unless grievances are redressed. Agreeably to this theory the Members of the Executive Government sit in open durbār at any rate in spirit to give ear to our prayers and to explain to what extent they are prepared to grant redress. The Members of the Government to whom I address myself today are the Honourable the Home Member and the Member for Communications, I trust that at the close of the debate I shall be favoured with a reply from them.

The other day, in the course of a discussion of a cut motion during the Railway Budget debate, I brought to notice the wholly inadequate representation of the Indian Christian community in the railway services, but as the time allowed was very short, I had necessarily to be very brief, and I mentioned that the subject was too important to be dropped, and I would re-open it during the discussion of the Finance Bill.

Recruitment to all the services under the Government of India, including the Railway services, is regulated by the Government of India, Home Department, Resolution No. 14-17/B-32, dated the 4th July, 1934, which is known as the Appointments Award. Shortly after the issue of that Resolution I moved a Resolution in this Honourable House on the 26th of July, 1934, in which I summarised the net result of that Resolution in so far as the Indian Christian community is concerned in the following words:

"While since 1925 we had a fair field with other minorities to compete for 33½ per cent. of the vacancies, under the new scheme we have to compete with Sikhs, Parsis, Jains, Anglo-Indians and others for 8½ per cent. of all-India appointments, and with Sikhs, Parsis and Jains for six per cent. of the local appointments."

[Dr. F. X. DeSouza.]

No separate quota is fixed for the smaller minority communities *inter se*. The Indian Christian community being the most peaceful and the least aggressive of all the minority communities, I forecasted that we shall be gradually elbowed out of our lawful share of representation in the race for jobs and the result will be that the economic structure of our community, which depends so largely on employment in Government service, will be seriously dislocated.

This forecast has been amply justified. If we look at the statistics of our population, we find that at the last census we numbered approximately seven million people. We form nearly two per cent. of the total population. Our people are most numerous in southern India, where 60 per cent. of the total Christian population resides. In British districts in Madras we number 3.5 per cent. of the population, and in the Madras Indian States we number as many as 27 per cent. of the population in Cochin and 31.5 per cent. of the population in Travancore. Allowing for our normal rate of increase during the last two decades, our numbers will in all probability not fall far short of ten millions at the next census. We form the second largest minority community in India.

How does our representation stand in the Railway services in different parts of India? From the Report of the Railway Board on Indian Railways for the year 1938-39, I have compiled certain statistics from which our proportion can be seen at a glance. I crave the indulgence of this House to them through these tedious statistics which are absolutely necessary to my case, and unless the Honourable the President permits me to take my speech as read, I shall have to go through the numbers. I dare not ask him for such permission and so I will place the statistics before this House. In the subordinate railway services our percentage in State and Company-managed Railways is 2.6 per cent. and not 3.4 per cent. as stated on page 110, being 2.65 in State Railways and 3.14 in Company-managed Railways (page 108). Our deficiency is specially noticeable on the railway systems in Madras where our community preponderates. Thus in the Madras and Southern Mahratta Railway, in the subordinate services there are only six Indian Christians (2.2 per cent.) out of a total strength of 284 while in the South Indian Railway we have just 13 (5 per cent.) out of a total strength of 256 (*vide* page 108).

No compensation appears to have been attempted to make up for this deficiency while recruiting during the year 1938-39. Even in those railway systems where we have considerable numbers, our recruitment was inadequate. Thus, in the Madras and Southern Mahratta Railway, among the new recruits for the year 1938-39, we had only 4.6 per cent., while the Muslims had 8.1 per cent., and Anglo-Indians 23.1 per cent; and in the South Indian Railway though the Indian Christians had 12.8 per cent. of the recruits (*vide* Appendix G-II, page 172), we still fall far short of our legitimate percentage of the total strength.

Turning now to the superior services, our strength on State-managed Railways in the year 1938-39 was 1.93 and in Company-managed Railways 2.13, and even in the Madras and Southern Mahratta and the South Indian Railways, our relative strength was just seven out of a total of 142 (4.8 per cent.) in the former, and four out of 135 (2.8 per cent.) in the latter (*vide* page 107). As to the figures for recruitment in 1938-39 the State Railways recruited one Indian Christian out of 17, and in 1937-38, there

was no Indian Christian recruit out of a total of 30, while in the Company-managed Railways in the year 1938-39 no Indian Christian was recruited out of a total of 36 (*vide* page 105 and Appendix G-I, page 169). The Madras and Southern Maliratta and the South Indian Railways show up no better. In the former in the year 1938-39 there was but one Indian Christian recruited for the superior services out of 10, and in 1937-38 one out of 16, while in the South Indian Railway no Indian Christian was recruited out of a total of ten in 1938-39, and only one out of eleven in 1937-38. Our microscopic proportion in the superior services is specially noticeable both in the State as well as the Company-managed Railways. Even in these railway systems where they have considerable numbers. . . .

**Mr. M. S. Aney** (Berar: Non-Muhammadan): On a point of order, Sir, may I just inquire of you whether after the discussion of all these subjects on the railway budget on the days allotted for such discussion, it is in order to rake up all the Railway Budget discussion now, when we are discussing the Finance Bill and the general budget.

**Dr. Sir Ziauddin Ahmad:** Before you give your ruling, Sir, may I say that the railways contribute somewhat to the general revenues and our contention has always been that they ought to give a little more money to the general revenues.

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair thought the Honourable Member was addressing the Chair on the point of order.

**Dr. Sir Ziauddin Ahmad:** So in this way it comes in.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member was not asked to give his ruling. As regards the point of order raised, there is no doubt that the Railway Budget has been passed in this House and is no longer under discussion; but so far as the Chair recollects, the practice of this House has been that on the Finance Bill the Honourable Members are at liberty to ventilate any grievance not only as regards the Executive Government. . . .

**Mr. M. S. Aney:** Including railways?

**Mr. President** (The Honourable Sir Abdur Rahim): . . . but including railways. It must, however, be understood that the latitude that is thus given to Honourable Members is really limited by other considerations. It is for Honourable Members to remember all the time that there must be reasonable limitation in matters that can be brought forward, if for no other reason than this, that it will not be possible for the Government Members to reply to all sorts of questions within the time at their disposal.

**Dr. F. X. DeSouza:** Sir, I will bear your instructions carefully in mind in my speech.

Since the Resolution of 1934 there has been a steady retrogression in our numbers both in the subordinate and superior services. In the subordinate services in 1935-36 our proportion was 8.49, in 1936-37 it was 8.1, in 1937-38 it was 2.8 and in 1938-39 it was 2.8; and in the superior services

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we had a proportion of 1.8 in 1938 and 2.02 in 1939 (*vide* pages 110 and 107). At this rate it is no exaggeration to say we shall soon cease to be a minority: we shall become a nonentity.

As I have already stated, I forecasted a steady reduction in our numbers in the public services as the result of the Appointments Award, and in the Resolution which I moved in this House, I put in a plea for a reservation of a minimum of five per cent. as the only means of retaining an adequate representation for our community. This claim was strongly supported by the Leaders of every community in the House. I would specially invite a reference to the speeches of Sir Henry Gidney on behalf of the Anglo-Indian community, Mr. F. E. James on behalf of the European Group, Sir H. S. Gour and Mr. (now Sir) Ramaswami Mudaliar on behalf of the Hindus and Dr. (now Sir) Ziauddin Ahmad on behalf of the Muslims. I would lay special stress on the strong championship of our cause by my Honourable friend Sir Ramasawami Mudaliar, who, I have no doubt, though now in a position of greater responsibility and less independence, will be able to influence the decisions of Government in our favour. The only dissentient voice on that occasion was that of the spokesman of the Government of India, to whose speech I shall refer later. The House, with the exception of the Treasury Benches, unanimously voted for my Resolution. No attempt has, however, been made by the Government of India to implement that Resolution—a striking proof that we merely render lip-service to democracy in the governance of this country.

When in the course of discussion on Sir Raza Ali's cut motion the other day I urged a similar plea for reservation of 5 per cent, my Honourable friend, the Member for Communications, bluntly said that we should be satisfied with our numerical percentage, and there was no reason why we should claim weightage. Now, Sir, while before the Round Table Conference every minority community asked for recognition of its past services to Government as the *raison d'être* of their claim for employment in Government service, while the Muslims based their claims on the ground of their well-known past loyalty to Government, their non-participation in the Civil Disobedience Movement and the Terrorist Movement, while the Sikhs demanded their share on account of their past military services, especially during the Great War, while the Europeans demanded commercial and trade protection on account of millions of pounds they had in the past sunk in India, and the Anglo-Indians demanded protection on the ground of their devoted and loyal past and present services to the country, are we, the Indian Christians, the third largest community in India, not to be given any protection whatever and to be confined within the narrow limits of our numbers? Are our past services during the early struggles of the British power in India to be forgotten—how our ancestors financed General Baird in the Second Mysore war and suffered in consequence the demolition of our churches and the deportation of our people to Seringapatam at the hands of Tippu Sultan? Can we not point with a justifiable pride to the great services we have been rendering in more recent years to the uplift of India, to which with missionary leadership and capital we have contributed by maintaining more than 20,000 Church of England schools and a much larger number of Roman Catholic schools and colleges giving education to over a million and a half of people including thousands



of non-Christian Indians, many of whom today are among the political leaders of India? Can we not point to over 1,000 hospitals treating over four million people which our community maintain for ministering to the suffering humanity of every caste and creed? We have no sect and no caste. As neutrals in inter-communal clashes we have rendered great services to Government to which Government have frequently borne testimony. In inter-communal disputes, Government select magistrates and judges from the Indian Christian community to adjudicate the differences between rival sects and castes and creeds. The Indian communities themselves have recognized the value of a neutral community like ours to act as arbiters free from bias. In the Presidency of Madras two Indian Christians were elected as successive Presidents of the Legislative Council. Lastly, all through the period of grave unrest and political upheaval through which we have been passing our community has religiously abstained from participating in any unconstitutional movement. We have followed the Biblical injunction of submission to lawfully constituted authority. Under the British Government our loyalty has been its own reward. But under the Congress Governments our loyalty has been flung in our face and we are suspect because we are supposed to lean upon a foreign Government for support.

If we cannot lay claim to protection on account of our past services, can we not at least rely upon our superior efficiency to demand a larger share in the services? According to the figures of the last census we have three times as many literate persons per mile as the Hindus, four times as many as the Muslims and as to literacy in English for every 10,000 of the population we have 1,174 males and 649 females literate in English while the Hindus have 204 males and 16 females and the Muslims 164 males and 11 females. There are in India, I believe, according to the last census, about one and a half million persons educated up to and beyond the secondary standard, and of this total nearly 270,000 are Indian Christians. There are approximately 400,000 appointments in both central and provincial services of the class now under contemplation, and what percentage should we, who claim 270,000 out of one and a half million English-educated persons; obtain of these appointments? If merit and merit alone is the test for appointment, as the Nationalists insist, we certainly are entitled to claim reservation of as many as 15 per cent. of these appointments.

The spokesman for the Government of India turned down the claim for reservation of a fixed percentage on four grounds. *First*, he said we are already represented in the public services well in excess of our population ratio to the total population of British India. *Secondly*, unlike the Anglo-Indian community we are employed in all branches or grades of the public services, while reservation for the Anglo-Indian community is made only in certain departments where they have been employed in large numbers. *Thirdly*, while, no doubt, the Indian Christian community like any other community in India is to a certain extent dependent on Government employment, the Anglo-Indians are very largely dependent on employment in certain branches of the public services, and it was, therefore, necessary to reserve a fixed number of vacancies for them to prevent a violent dislocation of the economic structure of their community. *Fourthly*, even if we are meagrely represented in other provinces, we shall be amply represented in those parts of India where we have a considerable strength in numbers—a statement which has been falsified by the figures I

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have quoted regarding our percentage in the M. & S. M. and S. I. Railway systems. And *lastly*, that the Indian Christian community is already well represented in the services, and will continue to be so represented, and even if a weightage of percentage is fixed, it might be even less than the percentage of posts the Indian Christian community holds at present. I don't think I need attempt any elaborate refutation of this reasoning. Anybody can see with half an eye that they are flimsy grounds to bolster up a predetermined conclusion.

Was the Honourable Member right when he said that the Indian Christian community will always continue to have a reasonable representation in the services? From the figures which I have given at the outset of my speech I have shown that our position is steadily deteriorating, and the reasons for this state of things will be obvious to anyone on a little reflection. Everyone knows that in these days of unemployment there is a keen struggle for jobs in the public services. Men belonging to our community have rarely if ever been appointed to key positions where they can exercise patronage. Persons belonging to other minorities have not infrequently been appointed to key positions and while in office they make hay while the sun shines, to improve the position of the community to which they belong in the departments of which they are appointed the heads. Again, persons belonging to other minorities have occupied and still occupy seats of the mighty and a word from these becomes a command to the dispensers of patronage. While under the rules canvassing from below is rank soliciting and punishable, canvassing from above is a meritorious testimonial. Then again, the Indian Christian community, numbering seven million souls, has but one representative in this Honourable House to voice their grievances. Other minorities with a larger voting strength are in a position to enforce their demands for more jobs by threatening to cast their votes against the Government.

What is the attitude of the Government of India towards the claims of the members of the Indian Christian community to preferment in the services, especially to positions of trust and influence? The spokesman of Government, as an answer to my charges in 1934, pointed out that out of 395 Indians in the I.C.S. 23 or about 5.8 per cent. were Indian Christians, and that the number of Indian Christians in the Indian Police had increased from two in 1925 to five in 1933. But is it any thanks to the Government of India? They got in by the door of open competition; but when once they were in how have they been treated? Has any of them been appointed to a key position or given a Secretariat appointment? An officer was sent round the other day to select from the Provinces junior Civilians to form a pool from which to recruit for the Imperial Secretariat; but has a single Indian Christian been selected for the pool? Again, there is a special Establishment Officer to see that minorities obtain their due share in Secretariat appointments. Has a single Indian Christian been appointed to the Imperial Secretariat as a Secretary, a Deputy Secretary or even an Under-Secretary?

**The Honourable Sir Andrew Clow:** One was a Member of Council.

**Dr. F. X. DeSouza:** I will tell you all about him. I have a reference about him here. So marked is the callous indifference of the high officers

of the Government of India to our claims that we have begun to feel that when an important vacancy is advertised there is a tacit reservation that no Indian Christian need apply. We were told as much by a Departmental head the other day when two highly qualified Indian Christian candidates applied for a vacancy which had been advertised. They were told that it is useless their aspiring to be appointed. If a Hindu were appointed, said he, the great Hindu community would be pleased; if a Muslim were appointed, the great Muslim minority would be satisfied; but if a Christian were to be appointed, neither the Hindus nor the Muslims would be satisfied. I ask, Sir, in all seriousness, is this parliamentary democracy? Or is it reminiscent of the rule of Tammany Hall? I respectfully hope that the Government of India will disown such an attitude on the part of their officers.

So much for openings in civil employment. As for the Army the door has been bolted and barred against us since the year 1819. In that year one Prabhuddin Naik, a sepoy of a Brahmin regiment in the Bengal Army, was converted and baptised by a Company chaplain and was dismissed from the Army in consequence. Since then the Government was not prepared to tolerate Christianity in the Army. We rendered help to the British power in the early struggles of the East India Company. We financed the British troops in the Second Mysore War. Our sepoys did yeoman service in the Madras Army in the Sappers and Miners, the Supply and Transport Corps and new regiments of artillery which happen to be the only avenues open to us. But in the Regular Army we are not allowed to enlist. Is it not an irony that our community, among whom loyalty to the Crown is bred in their bones, are debarred from enlisting to defend their King and Country? Now that there is a likelihood of the Army being expanded in consequence of the war, will not the Defence Department give a chance to our people to enlist in the service of the Crown? There is ample material among the Christians of southern India, and I earnestly trust the Defence Department will give every opportunity to our people to join the colours.

If our claims to adequate employment in civil and military service are so utterly disregarded, our claim to share in the public life of the country are even more grievously ignored. Several important committees have been sitting in recent years to deliberate on the future constitution, but to the most important of these committees no member of our community has been appointed. To the Third Round Table Conference, to the Joint Parliamentary Committee, to the Lothian Committee no Indian Christian was admitted. A momentous change in the constitution is now impending. But the third largest community in India has not been consulted as to how the interests of the community should be safeguarded. The spokesman for Government on the last occasion naively explained to me that these committees merely advise but do not decide. But is there no Indian Christian competent to give advice? In the recent pronouncements of the Secretary of State and His Excellency the Governor General the very existence of our community as a distinct entity with conflicting interests with other communities is ignored.

I must mention that there has been but one exception to this tale of unrelieved gloom. One member of our community was recently selected for a position of responsibility and trust. I refer to the late Sir A. T. Pannirselvam to whose career a melancholy interest attaches. He had

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been appointed Home Member to the Government of Madras and had just been selected to the responsible position of Adviser to the Secretary of State. A cruel fate snatched him away when he was flying to take charge of his high office and a career which would have been of great public usefulness to our community came to an untimely end. May his soul rest in peace! Nevertheless, let me be permitted to say that one swallow does not make a summer. My earnest prayer to Government is that they will now for all time lift the ban hitherto imposed on our community and give us our rightful place in the public services, in the Army, and the public life of the country.

What is at the bottom of this studied neglect of our claims? It is possible that Government have a shamefaced feeling that having been responsible for our change of religion through the zeal of their missionaries they owe us a duty which they have failed to discharge?

1 P.M.

The same feeling which, according to my Honourable friend, Sir Henry Gidney, makes the Englishman disown his own progeny in the Anglo-Indian makes him disown those who have embraced his religion in the Indian Christian. Be that as it may, when in the course of the debate on the cut motion in the Railway Budget debate I asked the Honourable the Communications Member as the most Christian member of a Christian Government to do justice to the claims of the Christian minority in the railway services, the Honourable Member turned round and asked me whether because we were Christians we demanded from him as a Christian representation in the services in excess of our numbers. Sir, great as is my regard for the Honourable Member, I protest against this as an unworthy suggestion. When I appealed to him as a Christian I appealed to his Christian attribute of justice and not to any sentiment of religious favouritism. We wish to enter public service in our own right by the front door and not by backstairs influence, and we claim our right to reside in the dwelling house and not to be relegated to the outhouses.

Against the demand for the grant of independence to India the objection of the Government is that they have to remain in power as the protectors of minorities. Can the Government of India honestly say with their hand on their heart that they are the protectors of the Indian Christian community? On the contrary, has not their attitude during the last four years shown that they are more ready to barter away our rights in order to placate other minorities politically more aggressive than ours? Truly it is not the meek who shall inherit the earth. I refer to the extraordinary proviso in the Appointments Award, para. 7 (iii), that if there is no qualified person in our community the reversion is to go to a Muslim. To suggest that a qualified candidate will not be found in our community, which has the largest proportion of literate persons of any community in India and at least ten times as many literate persons in English as the Muslim community shows what was at the back of the mind of the Government of India when they inserted that proviso. I was referred by the spokesman of Government to the Governor's special powers which would always safeguard the rights of our community. The Honourable Member must have said this with his tongue in his cheek. No Governor has lifted a finger to protect our rights either to representation in the services or in the defence of our religion and culture during the last

four years. It is melancholy to think that in the absence of contact with realities the judgment of the acutest thinker in the councils of Government is liable to be warped.

It is in no spirit of self-aggrandizement that I urge the claim of my community but in the spirit of service. We ask for opportunities to serve the motherland. We ask for living room. We demand our place in the sun. We depend largely on employment in the public services for our means of subsistence. We are being gradually ousted. Unemployment has become acute amongst us. Our economic life is being undermined. The iron has entered into our soul.

I ask, is it in the interest of good government to have a very enlightened minority driven to desperation and vainly sitting at the door, demanding redress? It is easy to level a taunt of communalism against our demand, but it is a taunt which is levelled by members of the majority community who now are in possession of a monopoly and are unwilling to be dislodged. The Christian element in the personnel of the Government of the country is being gradually eliminated, and the duty will devolve on the small Indian Christian community to maintain Christian standards and Christian principles in public life. Our Master came to be the servant of mankind. He came not to be ministered unto but to minister and to give his life a ransom for many. In the new India the motherland will have the first claim to our ministry, and it is to attain a position in the public service such as will enable us to maintain Christian standards in public life that we most earnestly plead for our adequate share. With all the earnestness I can command I pray that my plea may not go unheeded.

**The Honourable Sir Andrew Olow** (Member for Railways and Communications): We have listened to a very eloquent and earnest plea on behalf of the community which my Honourable friend, Dr. DeSouza, represents. No one will deny the important part it plays and has played in India and the possibilities that it holds out, with its ministry of reconciliation, of bringing all persons in India into closer harmony, but I am afraid that in the course of his plea he misrepresented the attitude I had taken up on the Railway Budget. He said, for example, that I wanted to limit the representation of Indian Christians to the percentage of their population. I made no such statement, I have no such desire. What I was dealing with was reservation, which is quite a different thing. There is an immense number of unreserved vacancies in practically all the services, and if, as Dr. DeSouza asserted—and I do not question his assertion—his community is well above the average in education in India, I should have thought it was to their advantage to have that unreserved mass as large as possible. In fact, in suggesting that we should reserve for Indian Christians—I think he said at one time, 15 per cent.—what he is doing is, is to impose a large limitation on the number of posts open to all communities generally, in other words, to reduce the number of unreserved posts. The reservations for minority communities only give them a minimum. It is open to them to secure posts that are open to all communities, and where the community is well in advance of the average in education, the need for reservation is surely rather less than more, and the possibility of their securing representation in excess of their numerical proportion is obviously considerable.

Then, again, I think Dr. DeSouza was led away by possibly a deficient memory, into exaggerating the extent to which his community had been,

[Sir Andrew Clow.]

I think he said, excluded from appointments. He said that there was not even an Under Secretary in the Government of India who was an Indian Christian.

**Bardar Sant Singh:** Are not all Christians?

**The Honourable Sir Andrew Clow:** The Honourable Member was talking of Indian Christians. That, of course, is not the position. He did acknowledge that there was one distinguished gentleman who, unfortunately, has lost his life recently, who was drawn from his community. But I can think at the moment of two members drawn from the services who are both Indian Christians, one of whom held the position of Railway Member that I now hold, and another was Home Member in the United Provinces. I can think of a gentleman, having the same patronymic as my Honourable friend, who held the high position of a Member of the Railway Board and is still in railway service. I can think of one or two officers at the moment in the Government of India holding posts of responsibility.

**Sir Muhammad Yamin Khan** The Chief Justice of the Lucknow High Court.

**The Honourable Sir Andrew Clow:** I have no doubt that Honourable Members can supply other examples. All I wanted to say was, there has certainly been no prejudice against Indian Christians in selecting them for posts which they are qualified to hold, and I hope that in the future also they will produce men of distinction, who will emulate the services of those who have come before.

**Dr. P. N. Banerjee:** At a time when heavy financial burdens are being imposed on India, it is desirable that we should review briefly the financial history of the country in recent years. If we take the last twenty-five years, we find that during this period additional taxation was resorted to on no less than 14 occasions. If we take the period of twenty years beginning from 1920-21, that is to say, the commencement of the Montagu-Chelmsford Reforms, we find that fresh taxation was levied on no less than eleven occasions. Now, what is the cause for this state of things? The real cause is that expenditure is not sufficiently controlled in this country, and the result is what was described by Sir Basil Blackett, a predecessor in office of our Honourable friend, Sir Jeremy Raisman, as the progress of a rake.

Sir, the total tax burden of the country has been greatly enhanced during this period. And what are the taxes which were freshly levied or increased? They are income-tax, super-tax, salt duty, customs duties, and postage rates. All these expedients were resorted to. The burden fell on all classes of the population from the very rich to the poorest. When normal times returned, was all this additional taxation removed? Only a portion of the additional taxation was removed when better times came, but a large proportion of the additional taxation was allowed to continue. Sir, this can hardly be regarded as a satisfactory state of things. What we want today at the present moment is to stop this rake's progress.

But how can this be done? It can be done by introducing a greater measure of control over expenditure. The other day a suggestion was made that certain committees should be appointed to watch over expenditure and during the discussion of this matter we pointed out that two committees might be appointed,—one the Finance Committee and another the Estimates Committee. The Honourable the Finance Member objected to both the committees being appointed and agreed to the appointment of only one committee. His ground for objecting to the appointment of two committees was that the Government could not afford the time necessary for the discussion which would take place in these two committees. But is that a sufficient ground? What is the state of things in England? The other day I pointed out that in England in order to consider the estimates every year, the committee of the House of Commons. . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member is repeating the discussions that have taken place already.

**Dr. P. N. Banerjee:** I am merely referring to it. I am leading up to certain other things.

**Mr. President** (The Honourable Sir Abdur Rahim): Yes, so long as the Honourable Member does not repeat himself.

**Dr. P. N. Banerjee:** I suggested the other day that there was greater control over expenditure in Great Britain. Sir Hilton Young, who is an eminent authority on the British financial system, says: "At the point at which we have arrived in the procedure of the House, the estimated expenditure has been approved in Committee of Supply and reapproved on the Report of Supply and approved a third time in Committee of Ways and Means and a fourth time on the Report of Ways and Means, and yet it has still a long road to travel before it is out of the wood".

**Mr. President** (The Honourable Sir Abdur Rahim): Before the Honourable Member proceeds further, the Chair would remind him that it is not open to him to revive discussion on a subject which has been debated in this House and on which the House has given its verdict.

The Honourable Member can continue his speech after Lunch..

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

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

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**Dr. P. N. Banerjee:** Sir, before the House rose for lunch, I was contrasting the system of control over expenditure in India with that which exists in Great Britain. I pointed out that the machinery of control was very ineffective here. On two occasions Retrenchment Committees were appointed in India during the last quarter of a century, and these Retrenchment Committees did, on the whole, good work. Their recommendations were to a considerable extent accepted by Government. But on each of these occasions, as soon as the crisis was over or about to be over, the expenditure again showed a tendency to increase.

[Dr. P. N. Banerjea.]

Now, Sir, my complaint is, not only is the machinery for the control of expenditure defective, but the whole system of financial administration is wrong. The constitution and powers of the Central Legislature are such that no adequate popular control is possible. That is my chief complaint. And what is the result? The result of the present system is that there is no balance between the different categories of expenditure. While a large proportion of the resources of the country is expended on purely administrative services, a comparatively small proportion is spent on what are known as the nation-building departments of Governmental activity. This state of things can be remedied only by a radical alteration in the constitution of the country. But there are minor defects which can be cured even under the present system. The administration, as is known to everybody, is top-heavy at the present moment, and there are many posts which can be dispensed with at the top. The salaries which are paid to the high officials are inordinately large compared to the paying capacity of the people of India.

Sir, so far as the present year's Budget is concerned, I do not find in it any proposals for economy or retrenchment, although it proposes to lay a heavy burden of taxation on the people. I will not repeat what I said in the course of the general discussion on the Budget, but I will remind the House once more that this is not the first measure of taxation that we are considering during the present Session. This is the third—or rather the fourth—measure of taxation which we are considering. The first measure was the increase in the Railway rates and freights, the second was the excess profits tax, the third was the taxation of the provinces by an amendment of the Niemeyer formula, and we are now discussing the fourth set of proposals. As regards the Niemeyer formula, I think I ought to say a few words on it. This amendment of the Niemeyer formula has deprived the provinces of a considerable part of their legitimate share in the income-tax revenue, and the result of that will be that many of the provinces will be compelled to levy additional taxation. So, although directly the Central Legislature and the Central Government are not levying any further taxation on the provinces, the result of their action in amending the Niemeyer formula will be that it will lead to further taxation of the people. Therefore, I think that this is the fourth taxation measure of the Government in the present Session.

Sir, the other day the Bengal Legislative Assembly considered the Niemeyer formula and unanimously agreed to a Resolution protesting against this amendment, and pointed out that the position of the Government of Bengal would be very serious unless the *status quo ante* was restored immediately. As regards the amount involved in the amendment of the Niemeyer formula, it was pointed out that Bengal would lose several crores of rupees a year. . .

**The Honourable Sir Jeremy Raisman:** That is not correct. Bengal could not possibly lose several crores a year.

**Dr. P. N. Banerjea:** Not during this year. But during this year it will perhaps lose 80 or 40 lakhs.

**The Honourable Sir Jeremy Raisman:** No.



**Dr. P. N. Banerjea:** Then how much would the loss be?

**The Honourable Sir Jeremy Raisman:** Bengal's share is one-fifth of the total, and it is not yet known what the total is.

**Dr. P. N. Banerjea:** It is not yet known, but it will be something like a third of a crore this year.

**The Honourable Sir Jeremy Raisman:** It is still very doubtful how much it will be.

**Dr. P. N. Banerjea:** How much will Bengal lose next year?

**The Honourable Sir Jeremy Raisman:** As regards the future I cannot tell what the figures will be. I can only say what Bengal has gained, and not what it lost.

**Dr. P. N. Banerjea:** By the amendment of the formula?

**The Honourable Sir Jeremy Raisman:** By getting larger sums than it got before.

**Dr. P. N. Banerjea:** That is a different matter. That is not due to the generosity of the Honourable Member, but due to other circumstances.

**The Honourable Sir Jeremy Raisman:** Due to war.

**Dr. P. N. Banerjea:** May be due to war conditions. That is true. But certainly Bengal is entitled to protest against this change in the Niemeyer formula.

Sir, as regards the necessity for levying additional taxation, I said something in my speech when I discussed the general budget. But I should like to point out, on this occasion, that it is a mistake to suppose that the burden of this additional taxation will fall only on the richer and the more well-to-do classes. The burden will fall on almost all the classes of the population. So far as the increase in the sugar duties is concerned, this burden will fall not only on the rich but also on the poorer middle classes, because for the poorer middle class of the population sugar is a conventional necessity. The additional duty on petrol will fall on the rich, on the middle classes, and on the poorer classes of the population because all these classes nowadays use motor vehicles. In this connection, I wish to point out that it was in 1917 that the duty on motor spirit was first imposed. When it was first imposed the then Finance Member said that it was being imposed not for revenue purposes but for reducing consumption, that is to say, for preserving as much as possible of petrol for the purposes other than ordinary consumption during the war. Now, since then, several additions have been made to this duty until it has reached the present high figure. I am afraid it will affect adversely not only all classes of the population, but also to some extent the trade and industry of the country.

[Dr. P. N. Banerjea.]

This brings me to the question of the burden which the taxation policy of the Government of India places on industry and commerce. If we carefully examine the effect of additional taxation during the last twenty-five years, we find that it has been very prejudicial to industrial development. It may be argued that industry has considerably advanced during this period. That is true, but it has advanced in spite of the handicaps. As an instance how taxation has rendered difficult for the industries I may mention that in the Indian States where the taxation is less, industries prosper more than in British India. This is a state of things which requires serious consideration. The predecessor in office of the present Finance Member was a free trader of the die-hard type. But there was one good quality in him which we all admired. He was very frank,—brutally frank. Now, during the last five years, it was his policy which was responsible to some extent for hampering industrial development.

**The Honourable Sir Jeremy Raisman:** No.

**Dr. P. N. Banerjea:** Our new Finance Member has begun well, as has been apparent from his methods and manners. What his economic policy is we do not yet know. But in the course of his budget statement he said that India was the country of his adoption. I hope and trust that he will regard India as his motherland and be true to the salt he has eaten and is still eating.

Sir, the only satisfactory industrial policy for India is what was laid down by a distinguished Englishman about 40 years ago. Sir Frederick Nicholson said:

"I beg to record my strong opinion that in the matter of Indian industries we are bound to consider Indian interests firstly, secondly and thirdly. I mean by *firstly* that the local raw products should be utilised; by *secondly* that industries should be introduced; and by *thirdly* that the profits of such industry should remain in the country."

As regards the first and second points I must admit that India has made considerable progress, but it is very unfortunate that the pursuit of the policy of discriminating protection has taken a somewhat wrong line in regard to the third point mentioned by Sir Frederick Nicholson. Behind the tariff wall many industries have now raised their heads, of which the profits do not remain in the country but go out of it. The time has come when we should take this matter into our serious consideration.

**Dr. Sir Ziauddin Ahmad:** Make some suggestions.

**Dr. P. N. Banerjea:** My friend asks me to make some suggestions. When this policy of discriminating protection was adopted at the instance of the Fiscal Commission of 1922 it was never contemplated that non-Indian industries would get the advantage of the sacrifices which are made by the people of India. Now we should examine the whole question thoroughly and try to prevent this undue advantage being obtained by non-Indians; and by non-Indians I mean not merely Britishers but also foreigners. Sir, in this connection I am very glad to notice that an Industrial Research Board is going to be established soon. This will be of some help to industrial development in this country if this new policy is worked

on proper lines. So far as the composition of the Board is concerned, I find that some of the most eminent scientists find places on this Board and several well known industrialists are also members of it; but I am sorry to notice a very glaring omission: I do not find the name of a man like Sir M. Viswaswaraya. He is a practical industrialist, a great engineer, and a man endowed not only with an uncommon measure of foresight but an uncommon measure of insight into the present economic situation in India. A man like him would have been a source of great strength to this Board. I also find that there are no economists on this Board. Industrialists are apt to look at questions from their own point of view and not from the point of view of labour or of the consumer or of the country as a whole. Therefore, the addition of a few economists to this Board would have made the Board a much stronger body than it is. But however good the composition of the Board may be, it is necessary to lay down a proper policy for its working; and what is the policy which is to be placed before this Board? It is all very good for us to say that we should avail ourselves of the opportunities which the state of the war affords. But that would be a temporary policy and in order to render lasting good to the country we should have in view not only the present conditions but also the conditions of the future. This Board which is a consultative body should also be allowed to consider whether there are any impediments at the present moment in the working of the policy of discriminating protection.

It is said in many quarters that the conditions which the Fiscal Commission laid down for fulfilment are somewhat stringent and it is time to consider whether it is desirable or not to mitigate this stringency to some extent. In this connection, I should like to invite the attention of Government to the manner in which industrial development has advanced in Japan. There the manufacturer, the labourer, the banks, the insurance companies, the railways, the shipping companies, and the State co-operate in making Japan a great industrial country. If a broad policy is adopted for this country in which all the different factors will take their proper places in advancing the interests of the country, India can become industrially great within a very short time. Japan was a country of small industries half a century ago, but today she is in the front rank of industrial countries throughout the world. She is in advance even of some of the countries which were regarded as the foremost in the industrial race. The secret of its success lies in the cooperation amongst the various factors, not the least important of these factors being the State itself. What is the position in India at the present moment? It is true that during the last 17 or 18 years a more enlightened view with regard to industrial development has prevailed among Government officers than had prevailed before, but even now I must say that their vision is limited.

My Honourable friend, Sir Abdul Halim Ghuznavi, has been trying to get a Bill to control coastal shipping passed. It is a comparatively small measure, but even this small measure has not found support at the hands of Government. This is to be greatly regretted. The railway policy of the Government of India has not so far been such as to aid the industrial development of the country. So far as banks are concerned, these are mostly in the hands of private persons. A State Bank was demanded by this country, and twelve years ago in this Assembly it was urged that the composition of the then proposed Reserve Bank should be such that it should for all practical purposes be a State Bank. But this suggestion was vetoed by Government, and the absence of the more

[Dr. P. N. Banerjea.]

advanced section of the popular representatives was availed of by Government to have a Reserve Bank Bill passed which was not calculated to promote the best interests of the country. These are the various handicaps under which industrial development progresses in this country very slowly. If these handicaps are removed, then and then only will industrial development be more rapid.

Now, it has been asked, why is India not prepared to contribute to the expenses of the war or to the expenses even of her own defence? I am one of those who think that India should contribute, and contribute adequately, towards the cost of her own defence. But there are various factors which should be taken into consideration in this regard, the most important factor being what may be called the political factor. In these days politics and economics go together, and you cannot entirely divorce economics from politics. I would, therefore, urge Government to take proper steps to satisfy Indian aspirations. If they think they would gain the moral support of the world—and I saw yesterday in the report of the speech of the Prime Minister of England that he wanted the moral support of the world and wanted to create a moral force in the world—if that is to be obtained, then India should be treated in a manner different from the treatment which is being accorded to her at present. Britain must accept India's demand for freedom and self-determination. The other day some of my friends objected to the establishment of a machinery for framing the future constitution of India. They said that a Constituent Assembly was not the proper machinery for framing a new constitution of India. But I hold in my hand the report of a statement made by no less a person than Professor Laski, who says that this demand of India should be conceded. Professor Harold Laski, asked about what would be the best way of tackling India's affairs now, said:

"I would suggest that Britain should immediately and unequivocally declare that the Canadian procedure should be adopted in India, within twelve months from the date of the conclusion of the present war. In the meantime a Constituent Assembly be framed with the existing members of the provincial councils."

This was the suggestion which I made a few days ago but it did not appeal to the Treasury Benches. He further says—and Professor Laski, as we all know, is a great authority on the subject—that Constituent Assemblies have played an important role in recent political life throughout the world since 1884. He points out, in Canada this method was availed of, and then in Australia, and lastly in Southern Ireland. Therefore, the objections which have been raised to the formation of a Constituent Assembly for framing the future constitution of India do not stand on any firm ground. Time is passing and it is already very late. But before it is too late, let the Government of India and the British Government take courage in both hands and do their duty towards this country.

**Mr. J. Ramsay Scott** (United Provinces: European): Mr. Deputy President, we have already in the course of this debate roamed from the dawn of civilisation to the dome of the Taj. We have hiked from Australia to Japan and Japan to Ramgarh and Ramgarh to London, and so I hope I may be excused if I remind you that Timur invaded India—at least one of his reasons was—for sugar. I recently put before you the position of the sugar industry at the time of the introduction of the budget, and stressed then the effect of central and provincial legislation on the industry. I now

propose to put before you other considerations, namely, the effect of the Finance Member's proposals for 1940-41 which take effect from the 1st of March. Some of the statistics which I shall give you are mere guess-work, but they are all that I have at my disposal. I am sure that the production of better and as accurate figures as possible would be of great service to the industry and of benefit to the Finance Member when reviewing the situation.

The figure of the consumption of sugar in India is one which it is very hard to estimate accurately and I have given the Finance Member a figure from November-October 1937-38 of 1,150,000 tons and for November-October 1938-39 of 1,036,000 tons and I expect a somewhat similar consumption for November-October 1939-40 period. The first two figures for November-October 1937-38 and November-October 1938-39 are confirmed by those given by the Sugar Technological Institute, which puts them at one million one hundred and fifty-nine thousand tons and one million and eighty-three thousand tons respectively.

The higher price of sugar would seem to have reduced consumption by ten per cent. and I am not at all sure that we shall not see a further reduction in consumption this year. A reduction of consumption will not be good either for the Finance Member or for the industry. Sugar production this year is high one, I estimated at one million tons and the Sugar Technologist at 1,300 tons less, but the latest estimate received today puts the sugar factory output at one million one hundred and fifty thousand tons or about 15 per cent. more. To these figures have to be added the figures of sugar produced from *Gur* and that of the *Khandsari* producers. The former can be taken at round about 15,000 tons and the latter at a figure which is purely guess-work but Government statistics say 100,000 tons. The Indian production from all sources on the lowest estimate is therefore about one million, one hundred and fifteen thousand tons. To make matters worse, we had a carry over from the previous season of 70,000 to 100,000 tons. The total amount to be sold if I take this at 85,000 tons is therefore one million, two hundred thousand tons or perhaps even 1,350,000 tons and our consumption is just over one million tons. What is going to happen to the balance of 200,000 to 350,000 tons? What is Java going to do? There is no room for any Java imports, and if she imports even small quantities she will depress the market, while if she dumps to get rid of her surplus there will be a slump in sugar prices and crashes all round. As sugar is a Tariff Protected Industry, I know I can rely on the Government to step in at the earliest possible moment to prevent dumping even to the extent of the prohibition of imports of sugar. Java's production this year will be  $1\frac{3}{4}$  million metric tons or a quarter of a million tons more than last year. At the present moment the surplus production is worrying the industry for there is need of cash to finance stocks and capital expenditure for the cost of godowns to store stocks over the monsoon period. I have endeavoured, Sir, to give you a fair and moderate view of the situation and I have no intention to exaggerate the position. The figures used are those provided by Government wherever possible.

Sir, the Finance Member's story the other day of the Lady and the Tiger reminds me of another Tiger story. He looks like the Station Master who wired Sir Andrew Clow or one of his illustrious predecessors "Tiger on Roof what can do"!

[Mr. J. Ramsay Scott.]

One remedy would seem to be curtailment of production but that will affect Provincial revenues and the United Provinces Government representative, Mr. N. C. Mehta, is reported to have said at the Indian Sugar Syndicate meeting held at Calcutta on 1st March that the United Provinces Government will not on any account countenance any steps for curtailing sugar production in his province. So, again, what can do! Curtailment of sugar production might lead to serious agrarian trouble unless there is control of cane production similar to that of jute.

I should like here to suggest that the Commerce Member might help you. I am very sorry he is not here. I understand he has had a motor car accident, but I hear that he is not badly hurt.

**Mr. Muhammad Azhar Ali** (Lucknow and Fyzabad Divisions: Muhammadan Rural): I have made inquiries on the phone. My information is that the accident has not occurred.

**Mr. J. Ramsay Scott:** I am glad to hear that. A Tariff Board inquiry is due to be made this year as the Sugar Protection at the present rate expires on the 31st March, 1941. If the Government think that the present moment is inopportune for such an inquiry, will they consider another Committee to take its place to consider and investigate the effects of Central and Provincial taxation and excises on the industry and to stabilise sugar prices with a view to all interests getting a fair return. The canegrower should get a fair profit on his cane, the wage-earner a fair wage, the factory a fair profit, for the consumer a fair rate, the Provincial Government a fair revenue and, last but not least, the Central Government its fair share. In its composition the Investigation Committee might include the Finance, the Commerce and the Department of Education, Health and Lands representatives and I would add two Provincial Governments' representatives and two or three gentlemen from the industry itself. Whatever Committee is chosen by Government should, however, sit at once for there is no time to be lost. I would further suggest that an immediate announcement of your protection policy for the remaining five years should be announced as it is the uncertainty of life and conditions today that have a depressing effect on the industry. Every year there is speculation in sugar. I would remind the Commerce Member that it may be good to dig up a plant occasionally but continually digging it up is apt to damage the roots and arrest the healthy development of the plant.

I have another suggestion which I hope the Honourable the Finance Member will consider carefully and I shall ask him at a later stage to bring in his increased excise on sugar manufactured only after the 1st March. In the 1939-40 Budget, sugar was expected to produce Rs. 420 lakhs made up of 20 lakhs from customs at Rs. 175 per ton on about 11,400 tons and excise at Rs. 40 per ton on one million tons. You have now revised your figure of expectations to Rs. 590 lakhs made up of excise on 500,000 tons of sugar at Rs. 40 per ton or Rs. 200 lakhs, and customs on 220,000 tons at Rs. 175 per ton, or Rs. 390 lakhs. I am not taking into account the increased rates for March at the moment. You have at the end of February received Rs. 395 lakhs from imports, so that with still one month to go you were slightly in excess of your estimated receipts. Now, as regards excise, the figures I have to the end of February are receipts Rs. 168 lakhs, so that you are only Rs. 27 lakhs

short with one month to go. On the 29th February the amount of sugar in stock at factories in the United Provinces and Bihar was 313,340 tons and 37,000 tons for the rest of India, making a total of 350,000 tons, and if this is charged to excise at Rs. 2 per cwt. it will bring you in another Rs. 140 lakhs, or you will be over a crore up on your estimates. If you still insist on getting your extra rupee you will be another Rs. 70 lakhs to the good. I, therefore, ask you to give this request your consideration and to bear in mind that this sugar was produced when cane cost ten annas per maund, whereas on sugar produced after the 1st March the cane will cost Re. 0-9-3. The cane producer is bearing about two-thirds of the increase in excise. Sugar prices cannot go up, for nobody would pay an extra one rupee for old sugar produced before 1st March when they will be able to buy new sugar at only five annas more, that is, if the factories can put the price up to the consumer. That does not, however, seem at all likely, so the whole incidence of the tax falls on the factory.

No doubt, in your reply you will ask me how you are to balance your budget in 1941 if there is no room for imports from abroad. I have told you that you will get something more than a crore extra this year from sugar and this windfall should be set against next year as the customs figure of  $1\frac{1}{2}$  crores from the imports of 77,000 tons of sugar at Rs. 195 per ton may be reduced by half to one-third, as I believe there are still 34,000 to 50,000 tons due on old contracts, so that you may not lose more than 50 to 75 lakhs. As regards excise you have taken 540 lakhs at Rs. 60 per ton on 900,000 tons. This figure seems reasonable, but there may be an under-estimate of 50 to 90 lakhs, and unless curtailment of production is necessary, or there are bad crop conditions or a bad monsoon or floods, this estimate will be fully realised. Curtailment of production may be brought about by the Honourable the Finance Member's action and I would ask him to realise that this is not a threat but a possibility, and I give him this opening for a further expression of his policy with regard to the sugar industry. The Honourable the Finance Member will, I know, like a good shepherd, look after his sheep at "Shepster Time" and will endeavour to do his best after the shearing to protect them from the icy blasts of the March Budget winds.

**Dr. R. D. Dalal** (Nominated Non-Official): Mr. Deputy President, in these days of a deficit budget it behoves us to cast about for ways to effect an increase in revenues. Sir, nobody ever likes taxation of any character. We all dislike it, but Government has to be carried on, and money has to be found. So, we must explore and tap the different sources. I deeply regret that the salt duty has been reduced from Rs. 2-8-0 a maund to Rs. 1-9-0 a maund. Purely for sentimental reasons the salt duty has been reduced, and the reduction of salt duty has made no difference whatsoever in the standard of living. I think the present grave emergency demands that the salt duty should again be raised to Rs. 2-8-0 a maund.

**Dr. P. N. Banerjee**: The whole country will be up in arms against you.

**Dr. R. D. Dalal**: Every citizen, poor or rich, should contribute something, however little, to the expenditure of the State. Salt tax is an old tax, and from sheer habit the masses do not think of it as a hardship.

[Dr. R. D. Dalal]

Now, Sir, I shall just say one brief word as regards protection. Now-a-days protection is unalterably the national policy. I agree that protective duties for infant industries to support them in their initial stages may be imposed, but directly they are able to stand on their own legs without State crutches, these protective duties should cease. Protection in the long run is mischievous and prejudicial to the interests of the consumer. So, it is the masses—the poor who live from hand to mouth—the patient humble millions, toiling at the well and at the plough, knowing little of budgets, but very painfully aware of the narrow margin between sufficiency and indigence, that suffer.

Sir, in view of the present financial situation, I think it is desirable to revive the stamp duty on cheques. I referred to this matter as long ago as the Budget Session of 1932. The stamp duty was abolished in order to develop banking in the country, and to encourage the rural population to make interest-bearing deposits of their savings in the Banks instead of investing them by purchase of precious metals. About 13 years have elapsed since the abolition of the stamp duty; and an examination of this question has shown that the actual results have not been encouraging.

**Mr. M. S. Aney:** Does not the Honourable Member know that gold worth Rs. 300 crores and over has gone out of the country?

**Dr. R. D. Dalal:** It is the illiteracy of the people that is the most serious obstacle to the growth of the cheque habit, and many Banks have complained that the abolition of the stamp duty has the effect of making people draw cheques for very small sums of money. Thereby the work of the Banks has increased considerably. I am fully conscious that the re-imposition of the stamp duty will not help central revenues much, but it will afford some relief to the provinces, particularly the Bombay Presidency, where the bulk of stamp duty was collected.

Now, Sir, I pass to a very important point. The Honourable the Finance Member is keen on the financial health of India, but I hope he is keen also on the physical well-being of the people of this country. It is universally recognised that the greatest capital of a country is its human capital. So, Sir, with your permission, I wish to avail myself of this opportunity to bring to the notice of this Honourable House one important point. The suggestion I desire to submit to the House is directed to physical education. Physical education is itself a branch of education, without which education is maimed or stunted. It is a matter of urgent national importance that physical fitness movement should be established in all schools and colleges in the whole of India. The award of badges and certificates for attaining a certain standard of physical fitness should be an accepted part of the educational system. Standards of ability and knowledge are certified; these certificates are valued by pupil, teacher, and employer. Why then, should not physical fitness and training of body be placed on a level with general education? Why should not the time come when the child leaving school takes away not only certificates of character and education of mind, but also badges of physical fitness and a certificate recording health and development made under medical supervision, which the pupil can show with pride to parents and employers? A permanent headquarters is essential, whence the main-spring of national physical fitness movement should operate, and generous grants should be made in providing facilities for physical training. The



fundamental need appears to me to be the creation of a Physical Education Department. The officer in charge of that department should be designated as Director-General of Physical Education, whose duties would be to organise and to supervise physical training; and to arouse, to stimulate, and to concentrate public opinion upon the value of physical education. An adequate supply of fully qualified instructors is the key to the success of the national physical fitness movement. So, a National College of Physical Training should be established for training instructors. A good instructor communicates his own vitality to his pupils, and if the instructor is an example of physical perfection, the pupils perceive the image of what they wish to become, and are led by a process of emulation. Illness, under-nourishment, and mental shock are the thieves of strength and may suddenly plunge a person into staleness, i.e., diminished power of reaction to stimuli. An experienced instructor keeps a watchful eye for signs of staleness. So, it is desirable that the instructor should be a medical man. The school medical officer should keep an eye on pupil's physical development, and should guide it throughout school life. He should submit each pupil to a physical overhaul, and any defects which he may elicit should be communicated to the physical instructors. The period between the ages of 14 and 16 is physically the most formative period, when health in later life can be made or marred. So medical supervision at this age period is all the more necessary. There is a general agreement that the present average standard of national physique is far from satisfactory. Here comes the question of better diet, and better nutrition. Food is fundamental in all questions of physical fitness, and scientific inquiry places milk at the top of the list of foods, which are protective to health. So the milk-in-schools scheme should provide the school population with a ration of milk free of charge or at a very cheap rate.

**Khan Bahadur Shaikh Fazl-ul-Haq Piracha** (North-West Punjab: Muhammadan): Sir, I take this opportunity of drawing the attention of the Government to an important matter that vitally concerns the Mussalmans, and that is the troubles, inconveniences and the difficulties to which the pilgrims to the Hadjaz are subjected, both before and during the voyage to Jeddah and back. I hope that the Government will take a keener interest in this matter, and provide the Haj pilgrims with the ordinary traffic facilities and conveniences during their voyage for Haj. The tale of woe of the Haj pilgrims has been narrated more than once every year on the floor of this House, either in the form of speeches or in the form of questions. I would at this time mention a few of the many troubles that require an immediate remedy.

During the last Haj season the pilgrims had to face great inconveniences and troubles so much so that many of the intending Hajis were even denied the opportunity to perform the Haj owing to the lack of steamers going to Jeddah. Hundreds of intending pilgrims after staying at the ports of Bombay and Karachi had to come back to their homes most disappointed. Sir, due to the absence of the Scindia Steam Navigation Company in the Haj traffic business, in the last season, for which the Government itself is rightly to be blamed, the arrangements of the Moghal Line were the worst. As stated by the Honourable the Education Secretary the other day, in reply to my question, Government allowed ten per cent. more passengers to be carried on S. S. Rizwani of the Moghal Line, over and above the number of pilgrims allowed on the steamer under rules. A

[Khan Bahadur Shaikh Fazl-i-Haq Piracha.]

space of only sixteen feet is allowed to a passenger under rules, and it can be better imagined than told in what terrible condition the pilgrims on the deck must have performed their voyage when they were packed like herds on the steamer. Maulana Ismail Ghuznavi, the President of the All-India Pilgrims Protection League who happened to travel by the steamer told me that the poor Hajees had to lie down for complete nine days in front of the most insanitary and offensive latrines and bath rooms of the steamer and even on the way lays. The space reserved for prayers and the airy deck were also occupied. Most of the people could not get a space to lie down for several nights. Maulana Ismail Ghuznavi, I am told, sent urgent telegrams to the Honourable Member in Charge and also to the Honourable the Leader of the House not to grant permission to the company to carry an excess number of pilgrims but I am sorry to know that no heed at all was paid to the request. This over-crowding could have been easily avoided, as S. S. Jehangir of the same company sailed for Jeddah only three days after S. S. Rizwani sailed with pilgrims. Sufficient number of pilgrims were available for the Government to compel the company to carry Haj passengers by that steamer. By carrying an excess number of pilgrims over the number allowed under rules, the company earned another Rs. 25,000 at the expense of the convenience of the pilgrims, which amount should rightly go to the Hajees and not to the company. This amount should be made to be spent for providing facilities to the Hajees and should not go to add to the already much earned profits of the company. I am reliably informed that on account of the over-carriage of pilgrims on the S. S. Rizwani, the Hedjaz Government have levied a fine of one thousand Gold guineas on the Moghul Line under the International Sanitary Convention.

**Mr. J. D. Boyle (Bombay : European):** On a point of order, may I ask how all this is relevant to the Finance Bill?

**Mr. Deputy President (Mr. Akhil Chandra Datta):** Under the convention of this Assembly, anything under the Sun comes under the Finance Bill.

**Khan Bahadur Shaikh Fazl-i-Haq Piracha:** If that is true, and I believe that it is, is it not insulting for the Government of India to have allowed the Moghul Line to carry an excess number of pilgrims to the great inconvenience and disadvantage of their own people? I think it was very wise and noble on the part of the Hedjaz Government to think of the welfare of the pilgrims that land their shore and by levying a heavy fine to stop for the future the repetition of such an illegal action by any shipping company. Sir, for providing better facilities to the Hajees, I feel that the only remedy is to encourage other shipping companies also to come into the field for Haj traffic. The system of giving monopoly to one company as is virtually given at present is clearly against the interest of the Hajees, and the Government, I would request, should abstain in future from allocating the percentage of the Haj passengers to be carried by the shipping companies that may enter into the Haj traffic business. It should be left to the Hajees themselves to use their own choice to travel by any steamer of any company they may like.

I would now like to draw the attention of the Government towards my own Bill proposing to increase the space on board the ship from 16 feet to 18 feet per head and proposing to get the space marked for each passenger. I had amply explained in my speech on the Bill the necessity of the proposed legislation, and I do not propose now to repeat my arguments. I wish, however, to emphasise my views again and request the Honourable Member in charge not to stand in the way of legislation, in the interest of the pilgrims who at present face a great deal of hardship and inconvenience owing to the insufficient space during their voyage in the sea which takes no less than nine or ten days. Before the new reforms and rules in connection with the pilgrim traffic were made, the pilgrims used to get their passports, without any charge. Under the new rules the passports are issued to the pilgrims at a cost of Rs. three at the pilgrim ports and although the intending pilgrims do get passports in their districts without charge, they nevertheless have to face a good deal of trouble and have to spend much more than the amount charged at the pilgrims ports. That is to say this concession is not in any way helpful to the pilgrims. Sir, getting of the passports at the District headquarters is not an easy task for the intending Hajees who are mostly ignorant people of the villages. They have to spend a lot in undertaking journey to the Headquarters of the District and have to wait there for several days to get their passports, nay even in some cases they have to pay a nazrana to the clerks concerned. The most troublesome thing in addition to the above is the preliminary inquiry that is often made about the pilgrims, and it is on that account also that the intending Hajees have to undergo a good deal of hardship and expenditure. I am told by a responsible person that in some districts and provinces the intending Hajees have been pressed to produce their photographs, which is considered irreligious according to the Muslim belief, I would suggest that an easier, more comfortable and less expensive method should be adopted for the grant of passports in the districts. As was done before, it should be ordered that every man, who applies for a passport, should be granted the same without any restrictions, or charge of a fee.

The system of getting the inoculation and vaccination certificates signed by the District Health Officer or a Civil Surgeon is very troublesome, and a good amount of money and time is to be spent for getting them countersigned. This method should be stopped and every licensed and Registered Doctor should be allowed to issue the certificate after necessary inoculation. Doctors in charge of the town or rural dispensaries should be required to do the vaccination and inoculation and to issue certificates to that effect free of charge.

The food troubles in the pilgrim ships are still there and have not been removed at all. Hindustani Hajees are not habituated to take frozen meat which is served on the pilgrim ships. Certain things, for instance, sardine fish has been entered in the menu of the Pilgrims when no one likes to take it. In the menu of the pilgrims the quantity of ghee per head is not fixed, and it is left entirely to the contractors' mercy to use it at all or not. The quantity of pure ghee per head should be fixed in the menu. Various provisions used for food purposes are in most cases of the worst quality. The companies should be required to use provisions of the best eatable quality.

I would now say a few words about the quarantine station at Kamaran. In previous years when vaccination against smallpox or inoculation against cholera was not compulsory for the pilgrims, the usefulness of the Kamaran

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quarantine station was understandable, but now since the last few years when inoculation against cholera and vaccination against smallpox has been made compulsory for every pilgrim before he can embark on a ship, the usefulness of the Kamaran Quarantine station has finished. If the records of the last six or seven years are looked into, I am sure it will be found that not a single pilgrim ship going from India to Hedjaz was found infected. If it has been experienced for the last so many years that it was not necessary to put a single ship in quarantine, then why maintain this quarantine station unnecessarily and charge the expenses to the poor pilgrims? Till 1938, Kamaran quarantine dues were charged from each pilgrim at Rs. 8, but since 1938-39 the same has been reduced to Rs. 3. I urge, Sir, that this amount too should be absolutely abolished and the ships should not be made to call at Kamaran. Apart from the question of this charge of fee from the pilgrims, there is also another disadvantage and inconvenience to be considered. By making the ships to call at Kamaran in which port if a ship goes after 3 or 4 p.m. it cannot come out the same evening, thus wasting at least 15 hours with the result that the ships generally slow down their speed and reach the next morning. This delay again affects the steamer's arrival time at Jeddah, as there also if a ship goes in after one or two in the afternoon, it becomes very inconvenient for the pilgrims to disembark into boats as the sea becomes very rough in the afternoon. Thus, Sir, by this unnecessary call at Kamaran, where at present no better purpose is served than the civil administrator and medical officer of Kamaran coming on board and having a cursory round of the ship. As against this, nothing less than 24 hours are lost and nearly Rs. 57,000 of the pilgrims are wasted counting at Rs. 3 per pilgrim on the average number of pilgrims of the last two years.

There is another point which I would press at this moment, and that is the speed of the pilgrim ships. The speed of the ships plied for pilgrim traffic is very slow and it takes many days to reach Jeddah. The pilgrim ships have generally no programme for reaching at the port of Jeddah or back at Karachi. For all passenger ships in the world there is always a regular programme for reaching particular places, and every passenger knows his position to make his programme. But no such thing is possible in the pilgrim ship. The speed of the pilgrim ships should be increased, and a regular programme should always be made not only of departure but also of arrival.

Sir, it is a deplorable fact that the Hajee camp at Karachi is in a rotten condition. The latrines in the camp are not only offensive and unhygienic, but they are faced towards our Holy Kaaba about which objection was taken by me several times in the meeting of the Central Haj Committee, but it is really sad to note that nothing has so far been done in that respect. I hope our Education Secretary will kindly interest himself in the Haj Pilgrims and move the Port Haj Committee to remove this objection.

Sir, in the end I would bring to the notice of the Government that the steamers S. S. Jehangir and S. S. Alavi of the Mughal Line are in a very bad condition and are not fit at all for human traffic. This, I say, on the authority of reliable persons who have either seen or travelled by those steamers. These steamers should be ordered not to be plied for pilgrim traffic by the company.

**Sardar Sant Singh:** Sir, before I speak today, I should like to ask your permission to say that I shall be giving expression to the feeling of the House that it is a matter of thanksgiving that our popular Commerce Member, Sir Ramaswami Mudaliar, has had a providential escape from a serious car accident, and we wish that he may get over the shock very soon and join us again in a healthy state.

Now, Sir, the consideration of the Finance Bill is an occasion when the administration of the Government of India comes under review once in a year in this House. So, naturally, the problems which vitally concern the interests of India should find the uppermost place. At present, Sir, the world is passing through a very great crisis and India, in connection with that crisis, is passing through a greater domestic crisis. I wish, Sir, that the Honourable the Leader of the House had been here to hear our views on that subject. The position in India is every day threatening to get worse and yet the deadlock in the political sphere is being allowed to continue. The Leader of the European Group this morning when speaking on the Finance Bill told us that he had very little to talk this year on the Finance Bill. I am surprised that when England and the Members of Parliament in England expect and their expectations are satisfied by weekly reviews of the war situation, how this attitude on the part of the European Group is consistent with their brethren living in that country. The position that is developing is such that no person who loves his country can afford to pass over that situation without saying a few words on that.

The political status of India is a vital matter for Indians. I think the time has come when truth must be told and must be told rather bluntly and that is that all theories of partnership between Great Britain and India are mere shams and great frauds. I do not believe in these platitudes. I have always been thinking on the lines given expression to by Mr. Churchill when giving evidence before the Joint Select Committee he was confronted with some of the statements made about India by him in Parliament and when asked to reconcile those with his present evidence he replied that they were mere toys given to Indians for play and that those statements were not to be seriously taken. The time has come when we should realise this truth. The realisation of that truth is responsible for the present political ferment we see. The political truth is that there is nothing but the relation of a subject race and a ruling race between the two countries. If it is not so, why this hesitation in meeting the demand of the Congress that Great Britain should declare its war aims in relation to the attitude of Great Britain towards India at the end of this war. It is not only in the interests of India alone that such a declaration should come. It is greatly more in the interests of Great Britain that it should be done immediately and without delay. It is said, Sir, that this attitude smacks of political bargaining at a critical moment. I will reply to this charge very soon. But before I do so, I will submit that the demand for reform is not a new demand at all. Since the Montagu Chelmsford reforms came into existence, we have seen that even after three or four years of their working, the demand was made in this House and was conceded to by the Government Benches. First came the Muddiman committee, then the Simon commission followed by a Round Table Conference and finished with the Government of India Act, 1935. Therefore, they cannot say that this demand is a novel demand made at a critical moment. Apart from this, the pronouncements which have been made by His Excellency the Viceroy,

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particularly the pronouncement made at the Orient club, Bombay, goes to show that the necessity for making such a declaration is felt even in the high quarters. Therefore, Sir, the position is reduced to this. That when we make that demand we make that not because it is a critical situation, but because it is our birthright and we have right to make that demand at all times.

If we go to the history of the last war, what do we find. We find that other Dominions, Australia, South Africa, New Zealand, Canada and others made such a demand at a time when the last war was at its climax, when the chances of the Allies against Germany then were about 50:50. I refer to the year 1917 when the Imperial Conference was called in and in that Imperial Conference the Dominions made the demand on April 16, 1917. A Resolution was passed and in that Resolution the Dominion Ministers, in the middle of the Great War, insisted on the full recognition of the Dominions as autonomous nations of the Imperial Commonwealth and of India as an important part of the same and also of recognition of the right of the Dominions and of India to an adequate voice in foreign policy and in foreign relations. No one at that time ever dreamt of accusing those Dominions who made such a demand of political bargaining.

**The Honourable Sir Jeremy Raisman:** But they were co-operating in the war at the same time.

**Sardar Sant Singh:** The Dominions were then co-operating in the war and India was co-operating to a much greater extent in that war. India was bled white to use the expression which was then used. The Indian troops, Indian money and Indian material were unconditionally placed at the disposal of the Allies. I think nobody can deny and history has written upon it that India spurned any suggestion of political bargaining at that time. You cannot deny that India was in a far better position then than it may be said to be today. Therefore, there is a greater necessity now. As I was trying to prove, this is not political bargaining at all and nobody can take exception on that score. We know, Sir, that the ultimate effect of this war will be as much on India as on any other country in the world. That is the greater reason why we press that India's morale must be raised and India's demand must be satisfied so that we may be in a position to offer our whole-hearted co-operation to the successful prosecution of the war. India has made it clear that India does not like fascist methods. After making that clear India does want to know and understand and realise what Great Britain means when she says that the world is to be made safe for democracy and for freedom of nations. Do England and France mean to say that the world consists only of European countries and none else? In that case they should use the word "Europe" instead of the word "world", so that we may realise our status in world politics. In one of his speeches Mr. Chamberlain used the term "Europe" only but later on he has been saying that the "world" has to be made safe for democracy and freedom.

**An Honourable Member:** He refers to Dominions and India.

**Sardar Sant Singh:** If we agree on that point as we hope we should agree, the question remains, why this deadlock? After all the difference between the two countries is reduced to the minimum.

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

The difference is that while England and the authorities here in India insist upon communal harmony\* being attained, we insist that this will follow as a matter of course and should not be a condition precedent to the satisfaction of our demand.

**An Honourable Member:** Why?

**Sardar Sant Singh:** I do not think that calls for a reply. The reply is writ large on every page of the Indian press. The press has been proclaiming that these differences are due to the conditions that prevail today. Change the conditions, the mentality and the back ground of the whole thing and communal dissensions will disappear automatically. We believe the communal dissensions to be the creation of circumstances. I do not say that necessarily you are responsible for creating them, though the allegation is there. But I say that the country has been reduced to such a condition that communal dissensions are a natural outcome. Change the environments and circumstances in which the Government of this country has to function and the result will be harmony and harmonious development between the several communities living in India. I belong to a minority community; a community which is not only in a minority in my own province but a hopeless minority in the whole of India. But still I am not afraid to face the conditions. My community will welcome those conditions if they are made universal and this communalism is washed away from the political atmosphere of India. Therefore, I am not very much impressed with the argument that Dominion Status or complete independence or full independence,—by whatever name you may call it,—will follow in the shortest possible time if this condition precedent is fulfilled. I certainly do not like this to be a condition precedent. Then we are reduced to this that His Excellency the Viceroy is willing to concede Dominion Status of the Statute of Westminster variety in the shortest possible time but a condition is laid down which, as I have said, should not be a condition precedent to such advance.

At this stage I should like to make my position very clear with regard to the various terms that are used about the status to which we want our country to be raised. One great political organisation, the Indian National Congress, wants complete independence; our friends of the Muslim League aim at what is called full independence. I do not know the difference in meaning between these two terms. And the third term used is Dominion Status of the Statute of Westminster variety. With your permission, Sir, I will read two important sections from that Statute:

"No law, and no provision of any law, made after the commencement of this Act by the Parliament of a dominion, shall be void or inoperative on the ground that it is repugnant to the law of England or to the provisions of any existing or future Act of Parliament of the United Kingdom. or to any order, rule, or regulation made under any such Act, and the powers of the Parliament of any dominion shall include the power to repeal or amend any such order, Act or regulation in so far as the same is part of the law of the dominion "

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Then section 4 runs thus:

"No Act of Parliament of the United Kingdom passed after the commencement of this Act shall extend or be deemed to extend to a dominion as part of the law of that dominion unless it is expressly declared in that Act that that dominion has requested and consented to the enactment thereof."

The effect of these two sections, apart from others, is, to use the constitutional language, that the sovereignty of Parliament passes to the sovereignty of the Dominion Legislature by this enactment.

**Mr. P. J. Griffiths** (Assam: European): Sir, on a point of information, does the Honourable Member know that the first of those sections is not in operation either in Australia or in New Zealand?

**Sardar Sant Singh:** That is immaterial. Whether it is in operation or not, this Act was passed during the war to satisfy the demand of the Dominions for complete autonomy in their own spheres. What I am impressing is the fact that this Dominion Status, as visualised in this Act, is such that if steps are taken to frame a constitution actually on these lines I will not be dissatisfied on that score because it does not amount to full or complete independence. The question of secession from the British Empire is not practical politics today; it is only theoretical. Therefore, what I say is that the higher demand of complete independence and the right to secede will depend upon the future course that statesmanship takes in India. At this present stage in order to end the present political deadlock in India some steps are urgently demanded. I am sorry to say that the Leader of the House treated the cut motion of our Party on this point with scant respect on that day when he tried to escape a reply. And, ultimately, when he did make a reply it was so brief that he showed that he has closed his eyes,—if he represented the Government point of view that the Government of India have closed their eyes,—to the situation prevailing in India.

**The Honourable Sir Muhammad Zafrullah Khan** (Law Member): Too many words do not help, you know.

**Sardar Sant Singh:** Because you are obsessed with the mentality that it will not help the country, or even the community to which you have the honour to belong. The point that I wish to emphasise is that there is much greater need to end the present political deadlock now than there ever was. I wish the Government had realised this. Mere laughing will not do. You have seen the scenes at Ramgarh: you have seen what turn the political movement has taken. Men intoxicated with the knowledge of British bayonets behind them may laugh. You have been laughing over this matter for some years and the result is you have brought the country to the brink; if conditions worsen more it will be due to the attitude which the Government Members have taken upon themselves to assume in this House. If that is to be the attitude and I know that in more responsible quarters it is not His Excellency the Viceroy would not have taken the trouble of making that speech of his at the Orient Club, and Lord Zetland would not have taken the trouble of making speeches every week over conditions in India. The American press is loud in demanding what we are demanding here today. What are you doing? What are you saying with your tongue in your cheek?



**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member should address the Chair.

**Sardar Sant Singh:** What is the Government of India doing here? They think they will get over this difficulty very soon. I wish they rose to the occasion and concede our demand in a spirit of conciliation and responsibility. Laughs in this House, what do they indicate? The Government of India refuses to recognise the fact of the empty Benches before them. The Congress Party has got the hold on the masses of India today. The Government of India cannot deny this fact.

**An Honourable Member:** Question.

**Sardar Sant Singh:** If today elections are held they will see that the electorates return them with an overwhelming majority again. It is very easy for irresponsible people to laugh in their Benches when they hear of India's demand. It is not a matter of laughter for us: it is a vital matter for political India and I insist that they should have some more sense of responsibility when they sit here than they are exhibiting today. I have been diverted from my line of thought. My line is this, that there is not a bankruptcy of statesmanship yet. Human intelligence is capable of producing a formula which would get over the present deadlock. I am, I know, addressing a majority of Nominated Members who are nothing more than so many voting machines . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member must not cast any reflection on any Member of this House.

**Sardar Sant Singh:** I am not casting any reflection on them. I am only casting a reflection on the gibes they are throwing out. I am casting a reflection only at the lack of independence they are showing . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member is not allowed to do that. They are as much Members of the House as any others.

**Sardar Sant Singh:** I know they are, Sir. But I know at the same time that they are here to represent their respective interests which they are nominated to represent: they are not mere voting machines, but human beings like ourselves and they should show as much responsibility as we are showing . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member is not entitled to assume that they do not show an adequate sense of responsibility: he cannot criticise the administration of a Province like that.

**Sardar Sant Singh:** I am not assuming anything of that sort. I am seeing the demonstration before me. The position is this: a deadlock has been created in the country. We are asked to pay for the prosecution of the war, in the declaration of which we had no voice. We are asked to pay for the acts of a Government which refuse to give us any information today. Do the Government think they are cleverer than the people of

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France? The French Cabinet lost its place: it failed in carrying on the war successfully. Mr. Chamberlain, the Prime Minister of England, was trembling in his shoes until yesterday, when he was trying to explain the position to their constituencies. Their constituencies demand to know how the war is being prosecuted. They demand an insight into the working of the cabinet and how every minister is responsible in the prosecution of the war. But here they sit tight: the Government would not give us any information and they say "You are good boys. Pay. We will look after things for you." Is this the attitude of responsible people? We refuse to be led in that way. We say "Treat us as equals at any rate, if not better in our own country". They laugh at us. What a strange state of affairs! I was on the point of suggesting when this laughter came, which has really shocked and terribly upset me, that I should find such a thing in this House in which we used to be treated with greater respect and greater sense of responsibility before. The position here adopted is: "What is your demand after all?" We demand the right of self-determination for India. That is a demand which has been accepted in all political theories of today by every civilised country. What is the difference between Fascism and Nazism? As I understand it, one is democratic and dependent on the right of self-determination of its people, and the other is the imposition of one man over the people of the country . . . .

**The Honourable Sir Muhammad Zafrullah Khan:** Which of the two is democratic?

**Sardar Sant Singh:** I like democracy, but what are you? You are Fascists and Nazis . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member should address the Chair.

**Sardar Sant Singh:** The Government of India are acting like Fascists and Nazis. They want to impose everything on us: they will not listen to us or give us any information we want. We want to know what the situation is. I wanted the Defence Secretary to tell us whether he will take our advice as to what he should or should not do; but he simply turns round in his stiff collar and says: "No. You have no right to tell us what we should do. We do not want to share the responsibility with you. We want you only to pay and be satisfied that whatever we are doing for you is the best for you." If this is not the Fascist or Nazist attitude what is it? Is it a democratic attitude? Is it an attitude which a democratic country should take about us? We demanded an Advisory Committee for the Defence Department and we are told "No". We have as much information as the man in the street knows: you have the information from the radio or the public press, but you cannot have it from the Government of India to whom we are paying money to carry on this war. After all, we want to be treated in a manner befitting the dignity of this House and the dignity and status of this country, if the Government really want that the morale of the country should be raised. Here the attitude of the Government is that they want the approval of

a rubber stamp. What is that? On the rubber stamp, the word 'approval' is written, and they come to us and want us to put our rubber stamp approval upon it. . . .

**An Honourable Member:** Why do not they do it themselves?

**Sardar Sant Singh:** They do not put it themselves. If they care to have it put by themselves, you and I would not be in this House, nor will this House be here. They have created this House and they want the rubber stamp approval of this House for everything that they do. They want it. What is the good we are doing here? The other day Sir Ramaswami Mudaliar, while speaking in the Simla Session, told us quite rightly—that is the attitude of the Government of India which we can appreciate—that the responsibility of the Government of India had increased on account of the absence of the Congress Members because the majority is less, but on all vital questions we find a laughter instead of a serious reply.

Sir, I was going to make a constructive suggestion to the Government of India in this matter, but I do not think I should make it now as the atmosphere in the House today is so perverse that it becomes rather difficult for me to put that constructive suggestion to end this deadlock.

**Some Honourable Members:** Please make that suggestion: we are listening to you.

**Sardar Sant Singh:** My idea was that if we agree—with a capital 'I' for 'if'—that this political deadlock must be ended, then certainly the human ingenuity has not become bankrupt as not to find out a formula. If we go behind the mere formal demands which may be termed the slogans of one Party or the other and try to examine the situation calmly and coolly, I think it is still possible or it should be possible for us to discover a formula. After all, what is the demand of the Indian National Congress? Their demand is that a Constituent Assembly should be summoned to draft a constitution for India. Now, let us see what is behind this demand? Behind this Constituent Assembly lies the principle, which is that India has a right to frame its own constitution. They think that the holding of a Constituent Assembly to frame the constitution for India will be the best method. There are others who do not like this idea and they say that there is a danger of disruption and the communal feelings may run high. Let us suppose both are right. But the point remains, do you or do you not concede the principle that India has a right to frame her own constitution? If this principle is conceded—and it is conceded in the Westminster Statute in the two sections that I read to the House—then what is the hitch? My object in reading those sections was that the Westminster Statute does concede the sovereignty power that existed before and that exists today in the case of the Indian Legislature, the Indian Legislature being subordinate to the House of Commons in all matters. If the House of Commons divests itself of its power for legislating and can only make legislation under section 4 at the request and with the consent of the Dominions, there will be no harm. But the right of framing the constitution is conceded. I am not dealing with the constitution of various Dominions: I am only dealing with the Statute as it stands. I know certain Dominions have got different constitutions

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and different methods. I am now dealing with the two substantive provisions of the Statute. In that Statute this position is conceded that the local Legislature has a right to frame laws which may even be repugnant to the laws of England. Great Britain or, I should say, the Houses of Parliament have, by the passage of that law, divested themselves of their right to make laws for these Dominions. That is apart from the main question. But the fact remains that the House of Commons did divest itself of making laws for the Dominions or rather gave them the power to make laws which may be repugnant to the laws of the House of Commons. What does it indicate? In a layman's language it means that they have the right to frame their own constitution, their own laws and to govern the country in their own way. That right was conceded by the Statute of Westminster. There may be a difference of opinion whether the right to secede from the British Commonwealth of Nations has been given by that Statute or not. But, as I submitted before, that is not practical politics for me at the present stage of India's position. What I want to say is this. If Great Britain yields at this critical moment to India the right to frame its own constitution, we can agree by sitting together as to what form it will take in which that right is to be exercised. The form in which the right is to be exercised is not a material part of the demand. The material part of the demand is to concede the right of framing our own constitution. That is the basis on which both the political Parties—viz., the Government and the Indian National Congress—can be brought together. The people of India and the people of Great Britain can sit together and find out and devise some method by which this right of framing India's constitution by Indians can best be given effect to. That is inherent in the Westminster Statute as I understand it.

**Mr. Muhammad Azhar Ali:** Excluding other minorities.

**Sardar Sant Singh:** There is no question of excluding anybody when I use the expression 'people of India'. I repeat that the people of India and the people of Great Britain can come together and find out some method by which this principle can be given effect to. Sir, I wish to say again with the greatest emphasis that I can command that it is high time when the statesmanship should get a better hand of the prestige. It is the wrong idea of prestige that is keeping both the parties apart from each other with the result that the country is slowly but surely drifting to a stage which neither the Government of India nor the people of India can view with equanimity. Therefore, I will submit once more that the Government of India should give up this attitude of wait-and-see. They should tackle this problem with vigour, energy, broadmindedness and long vision so that we may be brought together to help in that great struggle that is going on in Europe.

Now, Sir, I pass on from this constitutional issue to another issue. In the debate on the Defence of India Act that was passed in September, I emphasised the position and, as a matter of fact, insisted upon the Government giving us a guarantee that the Defence of India Act shall not be used in a manner which is not connected with the successful prosecution of the war. I then read the undertaking given in the House of Commons by a responsible Minister of the Crown . . . .

**The Honourable Sir Muhammad Zafrullah Khan:** Who was that Minister?

**Sardar Sant Singh:** Mr. Winston Churchill.

**The Honourable Sir Muhammad Zafrullah Khan:** Mr. Churchill is now a responsible Minister of the Crown, but he was not then.

**Sardar Sant Singh:** I accept the correction. The Leader of the House gave this undertaking by reading from Mr. Churchill's speech the same passage that I had read then. It is now nearly six months since the Defence of India Act was passed and we have seen that it has been put into force in the Provinces. The other day I put a question to get information as to the number of prosecutions and other actions that were taken in the various provinces under that Act. I was given the figures for the Centrally Administered Areas, but was told that it was not the concern of the Government of India to see how the Act was being administered by the provinces. Since then,—I am speaking from memory—there was a question in the House of Commons in which the Minister told the Member who put the question, that the Government of India was looking into the administration of the Defence of India Act. Well, I should like the Honourable the Leader of the House to tell us, if he is taking my speech seriously which I doubt he is doing,—being a good Punjabi,—the point which I want him to explain is this. Is it the concern of the Government of India or not to see that the Defence of India Act is being worked properly or not? If so, is it not the duty of the Government of India to inform this House, from time to time, as to the working of this Act so that the House may be in a position to judge whether it is being used oppressively or with due consideration to the assurances that were given to the House at the time when the measure was enacted? At this stage I would like to inform the Honourable the Leader of the House, if he has not been already informed,—I think he should have been informed though—that in the House of Commons a similar Act was amended and the rigour softened later on when objection came from people that that Act was not being worked in the manner in which assurance was given in the House. I may inform him that I know how this Act is being worked in the Punjab. It has not been worked in the interests of the country. I am bold enough to say that it has not been worked in the interests of the successful prosecution of the war.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member cannot criticise the administration of an autonomous province.

**Sardar Sant Singh:** I am talking about the working of the Defence of India Act in one province.

**Mr. President** (The Honourable Sir Abdur Rahim): That has been entrusted to the province and so far as it has been entrusted to the province the Honourable Member cannot criticise the Provincial Government on the floor of this House.

**Sardar Sant Singh:** This depends upon the answer to the question which I addressed to the Honourable the Leader of the House, whether it is the concern of the Government of India or not to see to the working of the Defence of India Act. If the Government of India say that it is not their concern and that it is the concern of the Provincial Government to whom it has entrusted it, then, certainly, I am out of order, but if the Government of India takes up the position, as I understand the Government of India are taking up, of responsibility for the working of the Act. . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair does not think the Honourable Member has understood my point. The point is that it is not competent to any Member in this House to criticise the administration of a province after the province has been granted autonomy.

**Sardar Sant Singh:** I am not criticising the province. I will only criticise the working of the Defence of India Act.

**Mr. President** (The Honourable Sir Abdur Rahim): Its administration by any particular province cannot be criticised.

**Sardar Sant Singh:** I will leave out the word "administered" entirely. I will say that the Defence of India Act has been used for purposes other than the successful prosecution of the war.

**An Honourable Member:** By whom?

**Sardar Sant Singh:** By Provincial Governments to whom the power has been delegated.

**An Honourable Member:** Then you are out of order.

**Sardar Sant Singh:** I am not out of order. The provinces are the delegates to whom power has been given under the Defence of India Act by the Central Government. As delegates they are our agents, and as agent the principal can demand how the agent is using the powers.

**Mr. President** (The Honourable Sir Abdur Rahim): If the Honourable Member can point out that the Government of India have reserved to themselves the power of supervision and control, then he will be justified.

**Sardar Sant Singh:** Inherently it is there. When we pass a legislation. .

**Mr. President** (The Honourable Sir Abdur Rahim): Will the Honourable Member point out where this power has been reserved?

**Sardar Sant Singh:** I submit that the Defence of India Act was passed by the Central Legislature, and as such certain powers were given to the police, certain powers were given to the Provincial Governments, certain powers were given to individuals even . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): Does not the Honourable Member realise that the police is under the control of the Provincial Government and not of the Government of India? Therefore, for any act done by the police, the police are answerable to the Provincial Governments and not to the Government of India.

**Mr. M. S. Aney**: So far as the Defence of India Act is concerned, the powers which they exercise under that Act are due to the delegation which we have made under the Act itself. That is the position. It is not because of the division of functions made under the Government of India Act, but because of the delegation of powers which we have made under the Defence of India Act, that the police, the magistrate, and every other administrator in the province exercise their power and authority.

**Mr. President** (The Honourable Sir Abdur Rahim): Unless the Government of India have reserved to themselves the power of supervision and control, as the Chair has pointed out, the action of the Provincial Governments cannot be criticised here.

**Mr. M. S. Aney**: The reply given in the House of Commons is that the Government of India is looking to the administration of the Defence of India Act. That is the reply given, that means there is power of supervision.

**Mr. President** (The Honourable Sir Abdur Rahim): That may be so. The House of Commons itself has got a wider jurisdiction than this Legislature.

**Sardar Sant Singh**: May I ask whether or not this House has got power to take away those powers from the Provincial Governments by amending the Act in this House?

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair does not know. Will the Honourable Member read out from the Act what power has been reserved?

**Sardar Sant Singh**: There is nothing like reserved power in any of the sections. I will put the question in a different form. Will the Government of India consider that they should come forward with an amending Bill to take away those powers from the Provincial Governments, which have not been used properly? I have a right to say that. I can make out a case. I put the question to the Government of India that they should examine the working of the Defence of India Act. It has been worked oppressively. They must review the situation and come forward with an amending Bill taking away those powers from the Provincial Governments which have misused them for purposes for which they were not intended. That position I will take up. It is a matter which concerns vitally the liberties, the life and property of all subjects in this country. Though we are technically at war, we are not in the midst of war, and as such, these powers should be worked in such a manner that they will be least oppressive and that they will be consistent with the successful prosecution of the war—no more, no less than that. Therefore, I will ask the Government of India to tell me whether they

[Sardar Sant Singh.]

have ever examined the working of this Act during the last six months, and they have gone into the working of that Act. As the Session is closing just now, I cannot demand that during this Session they should do it, but I hope they will look into the matter and tell the House in the next Session whether the legislation that this House passed has carried out the intention of this Legislature in its working. I submit most earnestly that these are not matters which should be treated lightly. These are exceptional measures, repressive measures that have been necessitated by the war conditions that prevail in this country, and it should be the duty of those who are called upon to act under these repressive measures to be more mindful of the liberties, the life and property of the subject. They should at any rate have it administered in the spirit in which the rule of law is administered. It is not an executive measure. Here in Delhi I have seen in some cases that the magistrate thinks that as soon as the police has reported a case or challaned case under Defence of India Act magistrate considers it his duty to convict. This is not the mental attitude that should be brought into use in connection with the Defence of India Act. The Defence of India Act is a measure which touches very much the people of this country and I will like the day when the Government of India will come forward with an amending Bill. If they do not want to come up with an amending Bill, at any rate the rules have been made by them. They can make necessary changes for carrying out the intention of that Act. This is another point I wanted to draw the pointed attention of the Government of India to—the abuse which is prevailing under the shelter of this Act.

One important point which I want to bring out in my speech relates to the duty upon sugar. My friend, Mr. Ramsay Scott, has dealt with that subject fully. I will only add a few words on that subject for the consideration of the Honourable the Finance Member. It is not fair to the sugar industry that the duty should be levied on the goods that have been manufactured before the date on which this Finance Act came into operation, that is 1st March. The prices of cane were governed by statute, either Provincial or Central. The prices for cane have been paid and the cesses have been paid and sugar has been manufactured under those conditions. Now that this duty has been levied, I understand that Provincial Governments have reduced the price of cane. Therefore, it will be just and equitable that the duty to be levied should be the duty on the sugar as manufactured after 1st March. The Government of India is in possession of statistics. They know the quantity of sugar that has been manufactured up to the date when this duty was levied. There have been cases in which some of the factory owners in anticipation of this duty have removed sugar from their factories. Therefore the question will be between those who have been careless to remove sugar and those clever, I would not say dishonest, people who have removed the sugar in anticipation of this duty.

**Babu Baijnath Bajoria** (Marwari Association : Indian Commerce) : They will have to pay the penalty for their carelessness.

**Sardar Sant Singh:** They will have to pay penalty for their honesty in not removing the sugar. We should make the thing equal both for the clever and the careless persons and in the circumstances it is but fair that



the duty should be charged upon that quantity of sugar alone that has been manufactured since the day this Bill came into operation. With these words, I resume my seat.

**Babu Baijnath Bajoria:** After the highly political speech which my friend, Sardar Sant Singh, delivered on this Finance Bill, I would like only to make a few remarks about the subject matter of this Bill. I would leave politics alone and will deal only with the finances of the country. In the estimates which were presented to this House on the 29th February last the Government say that even during the current year, which will end on the 31st of this month, they expect a revenue of 87.77 crores of rupees and they expect that the expenditure also will be the same. Now, Sir, what I find from the statement of receipts and disbursements of the Government of India up till the 31st January, 1940, is that they have already got 85.35 crores up to the end of January. This leaves only two crores and 35 lakhs during the next two months, February and March. If I am wrong, I should like to be corrected. These are from the published figures in the *Gazette of India*. So, it is ridiculous that they will get only 2.35 crores in the next two months. The average is 8½ crores a month. If that average is continued during the two months of February and March, they should get about 17 crores instead of only 2.35 crores, which would complete the revised estimate of revenue. So, I would say that the revised estimate has been proved to be absolutely out of the mark and ridiculously low.

**The Honourable Sir Jeremy Raisman:** I would like to examine those figures.

**Babu Baijnath Bajoria:** These figures have been published. I have seen only today.

**The Honourable Sir Jeremy Raisman:** I must point out to the Honourable Member that receipts and disbursements are not necessarily the same as revenue and expenditure.

**Babu Baijnath Bajoria:** It is again the same answer as my friend, Mr. Chambers, gave about some of the amendments to the Excess Profits Bill. To an average layman and businessman like myself it seems clear that they will get surely more than 2½ crores and the receipt side of the budget has been underestimated. If there would have been a corresponding increase in the expenditure side also, it is probable that the results would have been the same. On the expenditure side, the expenditure has been 76.94 crores and they expect to spend 87.77 crores, which leaves 11 crores margin to spend. So the expenditure will be near the mark which they have budgeted but the receipts will be far in excess of what they have budgeted. My reasons for mentioning these figures is that the Honourable the Finance Member says in his budget speech that he will get a surplus of only 91 lakhs from the current year and he has gone for further taxation to cover a deficit of 6½ crores which he expects to get from the excess profits tax, the increase in the sugar excise duty and the increase in the petrol duty. If what I say is correct and if he expects to get as much as 17 crores during these two months, that will leave him a comfortable margin of over ten crores, even allowing for some increased expenditure over the budget figures and there should have been no necessity at all for taxing the trade.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member is not in order in repeating criticisms on the Budget now. The Budget has been passed by the House.

**Babu Baijnath Bajoria**: I am not criticising the Budget. The Finance Bill imposes a tax on sugar and petrol, and my point is that if the revenues are expected to be high as they appear to be so from the figures before us, then there should be no necessity whatever to tax sugar and petrol, under the Finance Bill. . . ,

**Mr. President** (The Honourable Sir Abdur Rahim): That has been said over and over again.

**Babu Baijnath Bajoria**: Sir, on the last occasion I said only about the excess profits tax and quoted figures for November, 1938, but now I have got the latest figures up to 31st January. However, I think fresh taxation on sugar and petrol is not at all justified.

Then, Sir, much has been said about the sugar and excise duty. Sugar is sweet to eat and sugar is sweet to tax also for the Finance Member. The increased duty on sugar will raise the price of sugar to such an extent that the consumption of sugar will be affected very much. This year the production of sugar will be over one million tons, and coupled with the imports of sugar from Java, if the prices go much higher, there is bound to be a big carry over and sugar factories and merchants will suffer enormously. For this reason, Sir, I oppose the increase of excise duty on sugar.

Then the next point on which I would like to touch is this. I read in the *Statesman* of the 18th the following:

"Grant abolished, Mechanisation of the Army in India. The civil estimates for foreign and imperial purposes show a reduction of £3,750,000 for India and Burma. The grant in aid for military expenditure from Indian revenues is £2,000,000 compared with £5,750,000 last year. The special grant for the cost of mechanisation of units of the British Army in India and additional grants of £3,550,000 towards capital cost of defence re-equipment measures which appeared last year, are now deleted. The expenditure on these two services is to be met from a vote of credit."

Sir, I have not been able to follow. . .

**The Honourable Sir Jeremy Raisman**: The Honourable Member has not been able to follow a number of things including the structure of some returns which he has been reading. It appears that since the defence estimates in the House of Commons have been merely presented as a token grant of one hundred pounds, certain detailed grants including the grants which used to accommodate these sums have been abolished.

**Babu Baijnath Bajoria**: We are getting this money?

**The Honourable Sir Jeremy Raisman**: It makes no difference.

**Babu Baijnath Bajoria**: I am very glad to know this, Sir.

Then the next point is about the trunk telephone calls. The half rate call which used to operate from 8 P.M. at night till 8 A.M. in the morning has been reduced from 10 P.M. to 6 A.M. It is a concession given to the press, but from 10 to 6. This, Sir, is a very great hardship. Practically

the half rate system may be said to have been abolished. The time between 8 to 10 at night and 6 to 8 in the morning was the time when the public could effectively use the half rate system, but from 10 to 6 one can only telephone at a very high rate.

Another thing I wish to mention is about the telephone calls. Here a double rate system has been created, which means that the rate during the day time will be doubled for urgent calls just as we have got for the telegrams. This means that those who want to do business have to book urgent calls, otherwise their work will suffer immensely. This is causing great inconvenience to the commercial community generally, and I would request Sir Gurunath Bewoor to revert to the old procedure.

Then, again, Sir, there has been a great increase in Railway freights and rates, and this is also causing a great hardship to the passengers and traders, and it has increased the cost of production to the industries.

Then, Sir, I want to mention one point about the administration of the Income-tax section 44 (e) and (f) which deal with the sale of shares *cum* dividend and *ex* dividend. Those provisions were made so that the people may not avoid the tax by selling some shares *cum* dividend and then buying them back *ex* dividend. I am not a share-broker, but I may tell the House that it has been represented to me by respectable share-brokers of Calcutta that the income-tax authorities are interpreting these sections in this way. Share-brokers have to buy and sell shares, and sometimes they have to sell *cum* dividend and *ex* dividend, but the income-tax authorities are not allowing deduction for the dividends which have been received by them. I would request the Honourable the Finance Member to look into this matter and remove the hardship.

Lastly, Sir, I would request that the Government of India should make sufficient arrangements for the training of Indians in the army and defence services of India. Again, I say here for my community,—though I do not belong to that section,—I belong to a trading class,—members of my community also should be recruited to the army in large numbers. If proper training is given to Indians, India will be able to help England much more efficiently both during war and peace time, and she will also be able to defend her own country much better.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 26th March, 1940.