

7th March 1941

THE

# LEGISLATIVE ASSEMBLY DEBATES

## Official Report

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*(28th February to 17th March, 1941)*

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### THIRTEENTH SESSION

OF THE

### FIFTH LEGISLATIVE ASSEMBLY, 1941



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# Legislative Assembly

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SIR ABDUL HALIM GHUZNAVI, M.L.A.

SIR H. P. MODY, K.B.E., M.L.A.

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# LEGISLATIVE ASSEMBLY.

Friday, 7th March, 1941.

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.

## MEMBER SWORN.

Mr. Maurice William Walter Murray Yeatts, C.I.E., M.L.A.  
(Government of India: Nominated Official).

## STARRED QUESTIONS AND ANSWERS.

### (a) ORAL ANSWERS.

#### RIFLE RANGE OUTSIDE PESHAWAR CANTONMENT.

281. \*Mr. Govind V. Deshmukh: Will the Defence Secretary be pleased to state:

- (a) whether there is a rifle range just outside Peshawar Cantonment near Telakal village surrounded by a number of villages, such as, Tekkal Bala, Tekkal Paigan, Paleri, etc.;
- (b) whether any representations were sent by the people of Peshawar and the neighbouring villages, protesting against the location of the rifle range at the place where it stands, on the ground that it will be a danger to the life of the villagers who have to pass through the fields on their way to and back from Peshawar;
- (c) the grounds on which the representations were rejected;
- (d) whether Government gave any undertaking to take special precautionary measures for the protection of the lives of the people who have to go frequently through these grounds? Whether any precautionary measures were taken and if so, what;
- (e) whether Government are aware of the fact that on the morning of the 15th February, 1941, a woman, by name Bachoo, was hit by a bullet and died; whether Government inquired into the matter and found out the military officer, sepoy or soldier, who was responsible for this fatal accident; if not, whether Government propose to do it now;
- (f) what steps Government have taken, or propose to take, to give compensation to the surviving members of Bachoo's family;
- (g) the number of accidents of death or wounds that occurred near the rifle range ground since it has been laid out and used as a rifle range; and

- (h) if Government propose to discontinue hereafter the use of these grounds for the purpose of rifle practice and remove the rifle range to some safe place with no villages situated within a radius of a reasonably long distance from it?

**Mr. O. M. G. Ogilvie:** (a) Yes.

(b) Government are not aware of any such representation. At the time the range was constructed special tracks were made on the advice of the civil authorities to enable inhabitants of neighbouring villages to pass from one village to another outside the danger areas.

(c) Does not arise.

(d) Yes. Special sentries are invariably posted at the approaches over the Kabul river canal with red flags and on the east edges of Mughdarzai Palosa; and Talarzai, to warn any one attempting to enter the danger area and to direct them to the nearby tracks.

(e) Yes. This unfortunate occurrence was due to the woman ignoring the red flags. She was able to make a statement before she died in which she admitted this. An enquiry has been ordered and is in progress.

(f) No claim for compensation has been received.

(g) As far as Government are aware no other accidents have occurred.

(h) No, Sir, since no more suitable ground is available.

**Mr. Govind V. Deshmukh:** May I know if a representation is received as regards compensation, whether compensation will be given to the members of the family?

**Mr. O. M. G. Ogilvie:** That is a hypothetical question. If any application is received, it will be considered.

**Mr. Govind V. Deshmukh:** Is the Honourable Member aware that since the outbreak of the war and still more recently, practice at this range goes on in the day as well as at night and the cultivators have to pass through the fields to protect their crops, males as well as females?

**Mr. O. M. G. Ogilvie:** The Honourable Member has given me information which I was not previously in possession of. As I explained in the answer to this question, there are tracks over which they can go from village to village without crossing the range. It is only those who take short cuts when firing is going on who are apt to run into danger.

**Mr. Govind V. Deshmukh:** The Honourable Member said that no more suitable place is available. Is there a deserted area between Islamia College and the village, and could not that be utilised for a rifle range?

**Mr. O. M. G. Ogilvie:** My answer is that no more suitable ground was available. As to the precise merits of the Islamia College area, I am unable to say, but I think the Honourable Member may take it that it would not be a more suitable area than the present one.

**Mr. Govind V. Deshmukh:** Suitable in what sense?

**Mr. O. M. G. Ogilvie:** In that it would interfere to the least possible degree with the ordinary avocations of people living in the neighbourhood.

## EXTENSION OF JURISDICTION OF THE FEDERAL COURT.

**282. \*Dr. P. N. Banerjee:** (a) Will the Honourable the Home Member state if it is a fact that the opinions received in 1925 by Government on the question of establishment of a Supreme Court in India were made available to the Members of the Legislative Assembly?

(b) Will the Honourable Member be pleased to state why a different course is being adopted by Government now in regard to the opinions received by them on the question of the extension of jurisdiction of the Federal Court?

**The Honourable Sir Reginald Maxwell:** (a) and (b). The Honourable Member is presumably referring to the opinions placed in the Library of the House in connection with Dr. Sir H. S. Gour's question No. 163, dated the 5th February, 1924. At that time opinions were collected in pursuance of a Resolution adopted by this House on the 26th March, 1921, and were placed in the Library after the Government of India had come to a decision. On the present occasion the opinions have been collected by executive orders and no decision has yet been reached. The circumstances are, therefore, different.

## RETIREMENT OF THE INFERIOR SERVANTS OF THE GOVERNMENT OF INDIA.

**283. \*Maulana Zafar Ali Khan:** Will the Honourable the Finance Member please state if it is a fact that inferior servants of the Government of India are retired on the completion of 35 years service, or at the age of 60? If so, why are they not retired as other Government servants, on the completion of 25 years' service or at the age of 55?

**The Honourable Sir Jeremy Raisman:** Inferior servants of the Government of India are compulsorily retired at the age of 60 years, but may voluntarily retire on completion of a service of 35 years. The corresponding age and length of service in the case of Government servants in superior service generally are 55 years and 30 years. Compared with work in superior service that in inferior service is of a less exacting nature and, consequently, inferior personnel can normally work for a longer period of service without impairment of their efficiency.

**Dr. Sir Ziauddin Ahmad:** With reference to the latter part of the question, may I know if persons who hold the rank of clerks and Superintendents in offices are reckoned among superior service or inferior service? Do they retire at the age of 55 or 60?

**The Honourable Sir Jeremy Raisman:** I do not think they are ranged as inferior service. Inferior services are of the menial class. The position in regard to clerks, as I explained the other day, is that they may be compelled to retire at the age of 55, but if they are perfectly efficient, they can go on till 60.

**Dr. Sir Ziauddin Ahmad:** This extension is exceptional, not given as a rule?

**The Honourable Sir Jeremy Raisman:** It is dependent, as I explained the other day, on the criterion of efficiency being maintained.

**Dr. Sir Ziauddin Ahmad:** This extension is not given as a rule. It is an exception. It depends upon the work a man is doing?

**The Honourable Sir Jeremy Raisman:** I cannot accept the Honourable Member's description of the position. The position is as I have described it.

**Dr. Sir Ziauddin Ahmad:** I am not asserting my own opinion. I am asking to know what is the practice in the Government. I think the age of retirement is 55. Are extensions given in exceptional cases, or as a matter of course?

**The Honourable Sir Jeremy Raisman:** The Honourable Member is making a gloss on the statement which I made. The position is that if a clerical officer is perfectly efficient at the age of 55, that is to say, a clerical officer who was in service on a certain date, then he is entitled to continue to be employed till the age of 60.

**Dr. Sir Ziauddin Ahmad:** He is entitled to be given extension as a matter of course, so long as he is efficient?

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member can draw his own inference.

#### NON-ENUMERATION OF THE BLIND IN THE CENSUS.

**284. \*Mr. C. C. Miller:** (a) Will the Honourable the Home Member be pleased to state why the enumeration of the blind has been omitted from the census of 1941, though it was included in the census of 1931?

(b) Is he aware that statistics of this nature are of great assistance to those engaged in the work of combating blindness in India?

**The Honourable Sir Reginald Maxwell:** (a) and (b). The experience of the 1931 census was that the table of infirmities was so defective as to be of little statistical value.

#### POSTPONEMENT OF RETIREMENTS IN THE ARMY AND AIR FORCE HEAD-QUARTERS AND POSITION AFTER THE WAR OF THE QUALIFIED CANDIDATES RECRUITED.

**285. \*Maulvi Muhammad Abdul Ghani:** Will the Defence Secretary please state:

(a) whether retirement on pension of clerks serving in the Army and Air Force Headquarters and their attached offices has been stopped or postponed during the continuance of the present war; and

(b) whether recruitment of a very large number of clerks to the said offices has been going on for a long time, if so, whether candidates who had duly qualified themselves in the examination held by the Federal Public Service Commission in December 1939 for recruitment to the Lower Division of the Army and Air Force Headquarters and attached offices have been appointed to any of these vacancies on the understanding that they would be given prior consideration for permanent or quasi-permanent appointments at the end of the war? If not, why not?

**Mr. C. M. G. Ogilvie:** (a) No.

(b) Yes. Recruitment of temporary clerks has been going on. Those who qualified in the 1939 examination will become eligible for temporary employment only after the 31st March, 1941. It has been found, moreover, that it is more satisfactory to recruit clerks with a knowledge of typing and business routine for temporary vacancies. Permanent and quasi-permanent vacancies have been filled from the 1939 list.

**MINISTERIAL (CLERKS GRADE) FEDERAL PUBLIC SERVICE COMMISSION EXAMINATION, 1939, AND CERTAIN SUCCESSFUL MUSLIM CANDIDATES.**

**286. \*Maulvi Muhammad Abdul Ghani:** Will the Honourable the Home Member be pleased to state:

(a) whether it is a fact that an examination was held by the Federal Public Service Commission in December, 1939, for recruitment of candidates to the Ministerial (Clerks Grade) Service of the Government of India Secretariat and Attached Offices and to the Lower Division of the Army and Air Force Headquarters Section of the Indian Army Corps of Clerks;

(b) whether it is a fact that copies of a printed list containing the results of the said examination, were supplied to the candidates with copies of Home Department 'General Information and Instructions', dated the 23rd May, 1940, wherein it was stated that the first 20 Muslims, first 50 Hindus and first ten members of other communities would receive early offers of appointment to permanent or quasi-permanent posts and that generally the candidates who had obtained 40 per cent. marks in the aggregate were eligible for appointment during the currency of the list, i.e., up to 31st March, 1941; and

(c) if the answers to parts (a) and (b) above be in the affirmative, whether it is a fact that the successful Muslim candidates occupying positions 11th, 13th, 14th, 17th, 19th and 20th, among the Muslims in the list referred to in part (b), have never been offered any appointment, while candidates occupying very much lower positions have secured appointment and, if so, the reasons for this contravention of the 'General Information and Instructions' issued by the Home Department?

**The Honourable Sir Reginald Maxwell:** (a) Yes.

(b) The statement in the "Memorandum of General Information and Instructions" has not been correctly quoted by the Honourable Member. The memorandum contained only a warning given to those candidates whose position in the list made it probable that their turn for employment would come to acquire or maintain the standard of skill in typewriting. It was definitely stated that the warning was not to be taken as a guarantee of appointment.

(c) Muslim candidates occupying the 11th, 13th, 14th, 17th and 20th positions are eligible for appointment in Army Headquarters only. No candidate junior to them in the list and eligible for employment in Army

Headquarters has been appointed. No. 19 was eligible for employment in the Civil Secretariat also, and has accordingly been appointed in the Secretariat.

**Maulvi Muhammad Abdul Ghani:** May I know . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member should speak up.

**Maulvi Muhammad Abdul Ghani:** May I know whether the candidates holding positions 11th, 13th, 14th, 17th, 19th and 20th as a result of the examination were superseded or have been superseded?

**The Honourable Sir Reginald Maxwell:** I have replied that the Muslim candidates occupying the 11th, the 13th, the 14th, the 17th and the 20th positions—not the 19th—were eligible for appointment in Army Headquarters only. Therefore, there is no question of their supersession by candidates who were eligible for civil employment.

#### MINISTERIAL (CLERKS GRADE) FEDERAL PUBLIC SERVICE COMMISSION EXAMINATION, 1940.

**287. \*Maulvi Muhammad Abdul Ghani:** Will the Honourable the Home Member be pleased to state whether an examination for the recruitment of candidates to the Ministerial (Clerks Grade) Service of the Government of India Secretariat and Attached Offices and to the Lower Division of the Army and Air Force Headquarters Section of the Indian Army Corps of Clerks, was held in December, 1940? If so, what were the reasons for holding such examination when candidates who had qualified themselves in the examination of 1939 and stood sufficiently high in the list were and are still unemployed and unprovided for?

**The Honourable Sir Reginald Maxwell:** Yes. These examinations are held annually. The examination held in 1939 was intended to fill permanent vacancies occurring during the period from the 1st April, 1940, to the end of March, 1941. The list of candidates who qualify in the 1940 examination will come into force on the 1st April, 1941.

#### UNQUALIFIED CANDIDATES RECRUITED TO THE ARMY AND AIR FORCE HEADQUARTERS.

**288. \*Maulvi Muhammad Abdul Ghani:** Will the Honourable the Home Member be pleased to state whether war-duration vacancies in the Army and Air Force Headquarters are being filled up by unqualified candidates and, if so, what is the reason for not filling them up by appointing candidates who have qualified themselves in the examination of 1939 on the understanding that they (first 20 Muslims at least) will be given prior consideration for permanent or quasi-permanent appointments at the end of the war?

**The Honourable Sir Reginald Maxwell:** Temporary war-time vacancies in Army and Air Force Headquarters are filled, subject to be the usual communal proportions, at the discretion of the Defence Department in view of the present emergency. The list for the 1939 examination will remain in force up to the 31st March, 1941. Thereafter, it will be utilised for purely temporary vacancies for one year.

**Sir Syed Raza Ali:** Is it true, as suggested in the question, that unqualified candidates are being preferred to those who passed the 1939 examination?

**The Honourable Sir Reginald Maxwell:** Will the Honourable Member kindly repeat his question?

**Sir Syed Raza Ali:** The suggestion in the question is that unqualified candidates are being entertained without any chance being given to those who passed the examination in 1939. Is that so?

**The Honourable Sir Reginald Maxwell:** Well, the 1939 candidates are eligible for permanent employment, and, as I have said in answer to a question, the period during which they are eligible for selection has not yet been exhausted. After that, they will be available for temporary vacancies.

**Sir Syed Raza Ali:** Does the Honourable Member realize that unless they get jobs by the 31st March, 1941, which means twenty-five days more, they will no longer be eligible for any post at all?

**The Honourable Sir Reginald Maxwell:** I have said that the list will be utilised for purely temporary vacancies for one year more.

**Sir Syed Raza Ali:** Is it not a fact that they are not being given a chance so far as officiating vacancies are concerned? If so, why?

**The Honourable Sir Reginald Maxwell:** Does the Honourable Member mean "officiating vacancies in civil offices" or "Army Headquarters or the Air Force Headquarters"?

**Sir Syed Raza Ali:** Army Headquarters and the Air Force offices.

**The Honourable Sir Reginald Maxwell:** Well, the rules do not provide for that, so far as I understand, but I am willing to make inquiries on the point as to what the arrangement is.

**Dr. Sir Ziauddin Ahmad:** Do I understand the Honourable Member to mean that in these particular cases of temporary appointment unqualified men are given preference to persons who passed in 1939? Is that correct?

**The Honourable Sir Reginald Maxwell:** There is no question of preference as between persons eligible for permanent appointment and those eligible for temporary appointment only.

**Dr. Sir Ziauddin Ahmad:** I am talking of temporary appointments. Are unqualified persons being preferred to those who passed the examination in 1939?

**The Honourable Sir Reginald Maxwell:** For temporary appointments in the Army and Air Force Headquarters, the selection is not limited to candidates on the list of the Federal Public Service Commission.

**Sir Syed Raza Ali:** With reference to the answer just given by the Honourable Member, will he, as Home Member, kindly go into the

question and suggest to the Departments concerned that qualified candidates should be given preference over unqualified ones even in the matter of temporary appointments?

**The Honourable Sir Reginald Maxwell:** Candidates who came as a result of the Federal Public Service Commission examination are not always useful for appointments requiring to be filled up emergently in the Army and Air Force Headquarters; for instance, many of them do not know typewriting and they are persons with no experience. These selections in Army and Air Force Headquarter offices are matters of urgency and they cannot be delayed while the candidates are learning typewriting and gaining other experience. Therefore, having to select, at short notice, the persons best qualified for the work, they have to take them from the available material.

**Sir Syed Raza Ali:** Will the Honourable Member kindly lay down that, other things being equal, qualified candidates should be preferred to non-qualified candidates?

**The Honourable Sir Reginald Maxwell:** It may be presumed that Army and Air Force Headquarters would wish to get the best qualified candidates they can find.

**An Honourable Member:** But they are not doing it evidently.

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#### MOTION FOR ADJOURNMENT.

#### PLACING OF CERTAIN POLITICAL PRISONERS IN FETTERS AND HANDCUFFS ON THEIR TRANSFER FROM DELHI JAIL.

**Mr. President** (The Honourable Sir Abdur Rahim): I have received notice of a motion for the adjournment of the House today from Qazi Muhammad Ahmad Kazmi who wishes to discuss a definite matter of urgent public importance, *viz.*, the inhuman treatment meted out to "C" class political prisoners convicted of non-violent offences and of placing them in fetters and handcuffs on their transfer from Delhi Jail as reported in the *Hindustan Times* dated today, pages 4 and 6. I would like to ask if the Honourable the Home Member has any objection.

**The Honourable Sir Reginald Maxwell** (Home Member): Yes, Sir, I have no information of the actual incident reported, and it seems that the Honourable Member himself has only got it from a newspaper report, but in any case, even assuming that certain prisoners have been conveyed from one place to another in fetters, that can hardly be described as a matter of urgent public importance. It is a matter of every-day police and jail administration that prisoners passing from one safe custody to another have to be secured in such a way as is thought appropriate; it cannot be said to have become suddenly an inhuman treatment when it has been an every-day incident of jail and police administration for many years.

**Mr. President** (The Honourable Sir Abdur Rahim): Do I understand that in this matter no discrimination is made between political and other prisoners?

**The Honourable Sir Reginald Maxwell:** Without having made personal inquiries on the point, I can myself say that I can assume confidently that no distinction of any kind would be made.

**Mr. President** (The Honourable Sir Abdur Rahim): Does that satisfy the Honourable Member?

**Qazi Muhammad Ahmad Kazmi** (Meerut Division : Non-Muhammadan Rural): My submission is that a distinction must be made in favour of political prisoners or those convicted of non-violent political offences, because fetters and handcuffs are meant for people from whom there is a danger of a breach of the peace.

**Mr. President** (The Honourable Sir Abdur Rahim): I hold that the motion is in order, but apart from that, I do not know whether the Honourable the Home Member has any objections.

**The Honourable Sir Reginald Maxwell:** Yes, Sir, I do object.

**Mr. President** (The Honourable Sir Abdur Rahim): As objection has been taken to leave being granted, those who are in favour of leave being granted will rise in their places.

(Less than twenty-five Honourable Members rose in their seats.)

As less than twenty-five Members are in favour of leave being granted, the leave is refused.

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#### ELECTION OF MEMBERS TO THE STANDING FINANCE COMMITTEE FOR RAILWAYS.

**Mr. President** (The Honourable Sir Abdur Rahim): I have to inform the Assembly that upto 12 Noon on Wednesday, the 5th March, 1941, the time fixed for receiving nominations for the Standing Finance Committee for Railways fifteen nominations were received. Subsequently four members withdrew their candidature. As the number of remaining candidates is equal to the number of vacancies, I declare the following members to be duly elected, namely :

- (1) Mr. Muhammad Muazzam Sahib Bahadur,
- (2) Sir Muhammad Yamin Khan,
- (3) Sir Abdul Halim Ghuznavi,
- (4) Khan Bahadur Mian Ghulam Kadir Muhammad Shahban,
- (5) Nawab Siddique Ali Khan,
- (6) Sardar Sant Singh,
- (7) Mr. Amarendra Nath Chattopadhyaya,
- (8) Sir F. E. James,
- (9) Rao Sahib N. Sivaraj,
- (10) Maulvi Syed Murtuza Sahib Bahadur, and
- (11) Mr. Muhammad Nauman.

## ELECTION OF MEMBERS TO THE STANDING FINANCE COMMITTEE.

**Mr. President** (The Honourable Sir Abdur Rahim). I have also to inform the Assembly that upto 12 Noon on Wednesday, the 5th March, 1941, the time fixed for receiving nominations for the Standing Finance Committee twenty nominations were received. Subsequently six members withdrew their candidature. As the number of remaining candidates is equal to the number of vacancies, I declare the following members to be duly elected, namely:

- (1) Kunwar Hajee Ismaiel Ali Khan,
- (2) Dr. P. N. Banerjea,
- (3) Major Nawab Sir Ahmad Nawaz Khan,
- (4) Mr. H. A. Sathar H. Essak Sait,
- (5) Khan Bahadur Shaikh Fazl-i-Haq Piracha.
- (6) Mr. Govind V. Deshmukh,
- (7) Dr. Sir Ziauddin Ahmad.
- (8) Mr. T. Chapman-Mortimer.
- (9) Mr. E. L. C. Gwilt,
- (10) Mr. Umar Aly Shah,
- (11) Lieut.-Colonel M. A. Rahman,
- (12) Mr. N. M. Dumasia,
- (13) Mr. Saiyid Haider Imam, and
- (14) Maulana Zafar Ali Khan.

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## THE GENERAL BUDGET—LIST OF DEMANDS—*contd.*

### SECOND STAGE—*contd.*

#### DEMAND No. 12—EXECUTIVE COUNCIL—*contd.*

##### *Reforms in Baluchistan—contd.*

**Mr. President** (The Honourable Sir Abdur Rahim): The House will now resume discussion of the cut motions. The motion before the House is No. 43, to discuss the reforms in Baluchistan.

**Mr. M. S. Aney** (Berar : Non-Muhammadan) : Sir, the motion before the House was to bring to the attention of the Government the urgency of introducing reforms in Baluchistan. The Honourable Member in charge of the Department of External Affairs, before he began his speech, tried to get elucidation of what the motion exactly meant from the Mover of the motion, and it was given out that the word 'reforms' there was intended to make a demand for the establishment of an autonomous province in Baluchistan. At least, he discussed the motion on that basis. Before I make a few observations on this point, I would like to offer my congratulations to Nawabzada Liaqat Ali Khan for a very lucid maiden

speech he made in this House yesterday. After offering these congratulations, I would like to say something about what he has said. He began his remarks with an observation that in the course of the speech which was made on behalf of Government he heard nothing new. The same old arguments that were given out before on the floor of the House were repeated by Mr. Caroe. May I say in return that having listened very carefully to all that was said in favour of the motion, I am in a position to say that I have heard nothing new. The same old argument which had been stated in favour of the motion before had been repeated yesterday.

In fact, when old questions are brought before the House, we cannot expect new arguments from either of those who support the motion or those who oppose it. The arguments remain the same. But what struck me particularly was this, that there are certain points of view which have been repeatedly brought to the attention of those who bring this motion and which have, in my opinion, generally gone every time unreplied by them. I really want to know whether my friends are really satisfied that the state of things in a province like Baluchistan with a very meagre population, scattered over a vast area, and educationally as backward as they themselves have admitted it to be, is deemed by them as sufficiently strong for the creation of what may be called a highly democratic form of Government such as a provincial autonomous government is intended to be? On this point, there is also another thing which I want my friends to seriously consider. If it is held that democracy is not a solution of India's difficulties or a representative government is not at all necessarily a suitable type of Government, if that sort of claim is urged against the bigger demand for having a federal representative government for the whole of India, it is rather difficult for me to understand the logic of those who urge that a new province should be created with the object of extending the same type of government there. That is also a difficult position for me to understand. But apart from that, there are certain matters, in which the Honourable Members of this House ought to feel vitally interested and about which the Government of India also ought to feel more anxious. For example, I looked into the figures of the income of this province and also its disbursements as given in this book of Demands for Grants. On page 428 of this book of Demands for Grants I find that the total receipts of Baluchistan come to about Rs. 20,05,000 and the total disbursements for the province comes to Rs. 73,73,000. Besides, there are several additional expenses incurred for the province which are given there on the same page and which come to about Rs. 51,96,000. These two items together come to a total of Rs. 1,25,69,000. That is the expenditure which has to be incurred for maintaining the present kind of administration in Baluchistan. It means that the Central Government have to subsidize from their own revenues the administration of Baluchistan to the extent of 105 lacs every year. If a new province with all the paraphernalia of an autonomous province is to be set up, some more addition is to be made to this sum of Rs. 1,25,69,000. How far we can rely upon the efforts of the people to help us in this effort to raise more revenues for sustaining that big Government? I believe the sum of Rs. 20,05,000 is already there and hardly any substantial addition can be made to the sources of income of the province by fresh taxation direct and indirect. It will mean, therefore, a very big question for a very big subsidy to be given to Baluchistan for the sake of giving them an extensive form of Government such as the Provincial Autonomy, and

[Mr. M. S. Aney.]

for that luxury the Indian taxpayer must be called upon to shoulder the burden of a big subsidy. We are already bearing the burden of a very big subsidy for the mistake that the Government of India committed in setting up an autonomous province in the North-West Frontier Province. We are bearing, again, the same sort of burden for the sake of another mistake perpetrated by them in creating a separate province for Sind. Why should the rest of India bear the burden of the luxury which some of these provinces want to enjoy at the expense of the taxpayer of the whole of India, is something which passes my comprehension.

**An Honourable Member:** What about Orissa?

**Mr. M. S. Aney:** Even if it is Orissa, let the subsidy be refused. I do not mind it. Let them be asked to cut their coat according to their cloth. That was the promise made on the floor of the House when the question of Sind was discussed. Every day somebody comes forward and asks for the creation of a separate new province. My friend, Sir Abdoola Haroon, came up the other day and said: "So far as the charges of Sukkar-barrage are concerned, Sind Province should not be held responsible for them and nothing more should be asked from them". These demands are being made every year. With that experience it is useless for any one of you to tell us on the floor of the House that this means nothing more. I put it to my friends, are you going to have an autonomous Government on the basis of the revenue of twenty lakhs there? Who can believe that story?

**Sir Syed Raza Ali** (Cities of the United Provinces: Muhammadan Urban): What about the alternative of amalgamation with the Punjab and Sind?

**Mr. M. S. Aney:** But that is not the proposition before the House at all. Let it come in that form. We will have to consider this more carefully. We should like to know how the two other parties, namely, the Sind people and the Punjab people, are amenable to amalgamation like this. Nobody speaks for the Punjab here, and the Honourable Member who spoke on behalf of Sind has not given a favourable opinion at all.

**Mr. Lalchand Navalrai** (Sind: Non-Muhammadan Rural): Adverse opinion.

**Mr. M. S. Aney:** My point is this. Has any Honourable Member made any investigation? At one time, the North-West Frontier Province was part of the Punjab and it was governed as part of the Punjab. Efforts were made to make it into a separate province and, ultimately, an autonomous province was created. I am not going to quarrel with matters that had taken place in the past. These are matters which the Government of India will have to consider afresh if they stick to the promise that at the end of the war, a new constitution is going to be framed for the whole of India. The whole question will have to be gone into then. For the present what I want to urge is this, that with the state of finances as they exist in Baluchistan, it is rather absurd for anybody who has got any regard for the financial position of the Central Government to look upon these proposals with any degree of favour.

Sir, there is another point to which I wish the House as a whole should give due attention. I look upon Baluchistan, North-West Frontier Province and certain portions of Assam to which reference was made, as parts of India situated on strategic frontiers of this country and in thinking of any form of administration for those provinces, the one paramount consideration which the Central Government must bear in mind, no matter whether it is the Central Government as at present constituted, namely, a foreign Government or it is a Central Government which will be purely the Government of the people of this country, that anything that they do would not in the least jeopardise the safety of the country as a whole. Now, Sir, this view can be taken only by those who think that there is one country which is to be defended and which is to be protected. If this idea of one Indian nation is eliminated, then all my argument against the creation of separate provinces has no meaning. I concede that those who think that there is no such one nation and there is no such one country to defend, they can legitimately put forward not only the creation of one Baluchistan, but every District of the Punjab can be turned into a separate independent State also. It will be a conglomeration of so many Indian States trying to form themselves into a chaotic federation, ready to fight some other neighbouring independent Indian State. Those who do not want to visualise in the future the creation of such a horrible state of things and want to maintain the integrity of the Indian nation as one, notwithstanding the heterogeneous population that it holds, those who want to stand for the ideal of one Indian nation, they have to bear in mind very carefully that any form of Government that is set up on these frontiers where we have not yet been able to introduce all the elements of a civilised administration up to this time should be such as to be conducive to the preservation of the Indian nation intact.

We should bear in mind what should be the extent of control of the Central Government over those provinces. The extent of control over those provinces stand on a different footing from the extent of control to be exercised over other centrally situated or more advanced parts of the country. It is because the safety of the country as a whole will largely depend upon the attitude of those in whose hands the administration of those provinces will remain, it is because the safety of the entire nation is involved, it is the duty of the Central Government to see that in making any concessions which they are advised to make, this paramount consideration of the safety of the entire Indian nation is not at all lost sight of. I do not mean to say that this position is entirely and necessarily inconsistent with giving them autonomous rights of any kind whatsoever. I do not want to maintain a proposition like that. But I do not think anybody can safely ignore this point of view also in making any demand for the creation of autonomous States on strategic frontiers. Therefore, my great difficulty is this. These propositions are coming in for discussion frequently on behalf of certain friends of mine who, for reasons best known to themselves at present, do not feel themselves wedded to the theory of maintaining the integrity of India as one nation. I am not prepared to look upon the question as minor matters or casual things which for the sake of courtesy to colleagues or for the sake of maintaining friendly fraternal feelings should not be thoroughly and carefully examined. I consider it a mistake to record my silent vote on a motion like this. I warn the Government of India to bear in mind that so long as they want to remain in this country as rulers, they are responsible

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for maintaining the integrity of the Indian nation as one undivided country. If they take any measures hastily for the sake of pleasing this party or that party, it is bound to jeopardise the safety of the Indian nation and its integrity. They might please some party or other, but they are bound to create a difficult situation which it would not be easy for them to meet, and an agitation will be started in this country which it will be difficult for them to face. I want to give the Government this warning.

With these words, I have to say with regret that I am not in a position to support the cut motion with the interpretation put upon it by my Honourable friend. If it be a question of introducing reforms for the sake of giving them better educational institutions or educational facilities, a better system of administration or even of their having some kind of association with the administration that is going on, such as has been existing in the case of the province of Coorg, I would be certainly willing to consider and examine that proposal with great sympathy. But the proposition before the House, I am authoritatively told by my Honourable friend, Syed Ghulam Bhik Nairang, stands for the creation of an autonomous province. With that restricted or definite interpretation put upon it, I find it difficult to give my support to this proposition. Otherwise, at the beginning I was inclined to vote for this proposition in the general sense that I put upon the word Reforms. But with the definite interpretation put upon it, I am unable to support it.

**Mr. Muhammad Azhar Ali** (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, my Honourable friend, Mr. Aney, wanted to discuss on this cut motion and to traverse a very wide field of Indian democracy and the wide field of Pakistan or whatever it may be called, he wanted to discuss the wider issues of the Indian constitution. Sir, this was not the object of this cut motion. The object of this cut motion, as was stated by my Honourable friends yesterday, is to ask for some sort of autonomous form of Government to be extended to Baluchistan. Nothing more is demanded. That was the only object of the cut motion. The principle of Indian democracy or the allied subjects was not the object of this cut motion. We really want that some facility, some freedom should be given to the people of Baluchistan and nothing more. Why should our friends bring in the wider issues, I do not see. I am constrained to say on the floor of the House that whenever the question of Muslim provinces comes up for discussion, racial and extraneous questions are brought forward in the discussion. I am sorry that this small cut motion has taken quite a different turn as if it was a Muslim or a Hindu or a Christian question.

I am now asked by my friend to read a short sentence from the speech of Dr. Moonje at the Round Table Conference. This forms part of the proceedings and this relates to the introduction of reforms in North-West Frontier Province, and Baluchistan on the same footing as in other provinces. When this question was put to Dr. Moonje, he said "The Hindu Mahasabha has in principle no objection". Whenever the question of Baluchistan or the question of a Muslim province comes in like the Punjab or Bengal, I do not understand why such flings should be aimed at us. Yesterday Mr. Caroe said: "Oh, you want democracy and at the same time you oppose democracy". I may inform him that the democracy that we object to is what the British people and the Indian Government want to thrust on our heads. We want the intellectual,

saintly, religious and spiritual democracy which Islam teaches. We are not thinking in terms of majority rule and minority rule but of that form of democracy which we can reconcile conscientiously with the rights of others.

The question of Baluchistan is very simple, *viz.*, whether the people there should be educated as in other parts of India and whether they should have the same treatment and the same freedom which we in other provinces have. If my friends think in terms of pounds, shillings and pence they must remember that there are big provinces and small provinces and a larger or smaller number of inhabitants in different provinces. If we consider that the people of Baluchistan are inhabitants of India why should not they have the same democratic rights as the people enjoy in other provinces? My Honourable friend, Mr. Aney, admits that India is a big country and it is no use giving subsidies to provinces. But if a province like Orissa can get a subsidy where is the harm in giving a subsidy to Baluchistan? There is no question of principle involved. If we make these other provinces autonomous we should make Baluchistan also autonomous although it has a small population. You have in Europe very small democratic countries.

**Mr. M. S. Aney:** Luxembourg.

**Mr. Muhammad Azhar Ali:** Yes, let there be a democracy like Luxembourg. However, Sir, without taking any more time I will conclude my speech by giving a few figures. In education the cost per pupil is the highest in Baluchistan. On page 71 of the book "Progress of Education in India" we find that literacy is 1·6 only and on page 113 the total cost per pupil is given as 62·4 whereas for the whole of British India it is 15·4. Therefore, we want to give the same opportunities to the people of Baluchistan that we have; and if our friends here are democratically minded they should not grudge Baluchistan having the same form of Government and being made an autonomous province. If my friend, Mr. Aney, did not object to Orissa where is the earthly reason . . . .

**Mr. M. S. Aney:** I have objected to the formation of the Carnatic; I have objected to the formation of Sind. I have objected to the creation of all autonomous provinces.

**Mr. Muhammad Azhar Ali:** What about Orissa?

**Mr. M. S. Aney:** Even about Orissa, that question did not come up before me for my vote to be recorded.

**Mr. Muhammad Azhar Ali:** However, it is a question of the education and civilisation of the people and it is meet and proper and the right of the people of Baluchistan to demand from the British Government that they also should be civilised and educated in an Autonomous Province of their own.

**Several Honourable Members:** The question may now be put.

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

"That the question be now put."

The motion was adopted.

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

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

The Assembly divided:

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair finds one Honourable Member is reading a newspaper. It is not allowed here.

**Dr. P. N. Banerjee** (Calcutta Suburbs: Non-Muhammadian Urban): There is no debate now going on, Sir.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member can go out of the Chamber if he wishes to read newspapers.

AYES—18.

Abdul Ghani, Maulvi Muhammad.  
Abdullah, Mr. H. M.  
Azhar Ali, Mr. Muhammad.  
Essak Sait, Mr. H. A. Sathar H.  
Fazl-i-Haq Piracha, Khan Bahadur  
Shaikh.  
Ghiasuddin, Mr. M.  
Ghulam Bhik Nairang, Syed.  
Ismail Khan, Haji Chaudhury  
Muhammad.  
Liaqat Ali Khan, Nawabzada  
Muhammad.

Mehr Shah, Nawab Sahibzada Sir  
Sayad Muhammad.  
Muhammad Ahmad Kasmi, Qasi.  
Murtuza Sahib Bahadur, Maulvi  
Syed.  
Nauman, Mr. Muhammad.  
Raza Ali, Sir Syed.  
Siddique Ali Khan, Nawab.  
Umar Aly Shah, Mr.  
Zafar Ali Khan, Maulana.  
Ziauddin Ahmad, Dr. Sir.

NOES—40.

Abdul Hamid, Khan Bahadur Sir.  
Abdul Hamid, Khan Sahib Shaikh.  
Ahmad Nawaz Khan, Major Nawab  
Sir.  
Aney, Mr. M. S.  
Banerjee, Dr. P. N.  
Bewoor, Sir Gurnath.  
Caroe, Mr. O. K.  
Clow, The Honourable Sir Andrew.  
Daga, Seth Sunderlal.  
Dalal, Dr. B. D.  
Dalpat Singh, Sardar Bahadur Cap-  
tain.  
Das, Pandit Nilakantha.  
Datta, Mr. Akhil Chandra.  
Deshmukh, Mr. Govind V.  
Dumasia, Mr. N. M.  
Gidney, Lieut.-Colonel Sir Henry.  
Ikramullah, Mr. Muhammad.  
Imam, Mr. Saiyid Haider.  
Jawahar Singh, Sardar Bahadur Sar-  
dar Sir.  
Kamaluddin Ahmed, Shams-ul-  
Ulema.

Kushalpal Singh, Raja Bahadur.  
Lalchand Navalrai, Mr.  
Maitra, Pandit Lakshmi Kanta.  
Manavedan, Raja T.  
Maxwell, The Honourable Sir Regi-  
nald.  
Mazharul Islam, Maulvi.  
Mudaliar, The Honourable Diwan  
Bahadur Sir A. Ramaswami.  
Mukharji, Mr. Basanta Kumar.  
Oulsnam, Mr. S. H. Y.  
Parma Nand, Bhai.  
Pillay, Mr. T. S. S.  
Raisman, The Honourable Sir  
Jeremy.  
Rau, Sir Raghavendra.  
Sheehy, Mr. J. F.  
Sivraj, Rao Sahib N.  
Spence, Sir George.  
Tymms, Mr. F.  
Tyson, Mr. J. D.  
Yeatts, Mr. M. W. W. M.  
Zafrullah Khan, The Honourable Sir  
Muhammad.

The motion was negated.

## DEMAND No. 55—CENSUS.

**Mr. President** (The Honourable Sir Abdur Rahirn): The next cut motion of the Muslim League Party is No. 77 relating to Demand No. 55.

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

“That a sum not exceeding Rs. 2,59,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1942, in respect of ‘Census’.”

- (a) *Failure of the Government of India not to supply Urdu forms; (b) Compulsion on Urdu knowing enumerators to submit census returns in Hindi in some Provinces by Census Charge Superintendents; (c) Neglect of Provincial Census authorities in filling up census forms; (d) Highhanded action of some of the Provincial Census Officers in suppressing and violating instructions issued by the Provincial Census Superintendents; and (e) Deliberate attempts to minimise population of Muslim and other minorities and exaggerate Hindu population.*

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

“That the demand under the head ‘Census’ be reduced by Rs. 100.”

The object of the motion is indicated in the notice itself. No doubt the census has hitherto been of very great utility, one of which is to give the correct idea of the exact number of each group of people inhabiting India and on which were based, up till now, many political privileges. It is this very last thing which has stirred up some of the groups to take undue advantage by whatsoever means it could be achieved. A well organised conspiracy was started to achieve political supremacy, which was revealed too late. Let me assure the House that this was not the first occasion in the history of the census when wrong entries were made, particularly about numerical strength and mother tongue of Muslims; but the present census is the worst example.

The first plan afoot to decrease the Muslim population was that Muslim families all over India were secretly and imperceptibly told  
12 Noon. that male members of every family will in proportion to the numerical strength be forcibly taken away for military purposes. The second plan to terrify Muslim families was that Government will impose taxes in proportion to the numerical strength of each family. I heard it in my own place and also wherever I went throughout Bihar, and from Bihar up to Delhi I heard the same tale. But this was not the case with Hindu families. I have, therefore, said that there was a well organised conspiracy. This was one of the ways adopted to minimise the numbers of the Muslims.

The second step was a deliberate one, to leave out altogether in some places the Muslim families, and in other places to decrease the number of Muslims. There was a deliberate and successful attempt to enter wrong returns of mother tongue of Muslims. Hindustani and Hindi were intentionally and wrongly recorded in the column of mother tongue against the names of Muslims. I cannot help citing a few instances by way of illustration. Mr. Abus Saud Ahmad, Assistant Secretary of the District Muslim League of North Arcot in Madras Presidency was one of three supervisors for Mellosarum in the North Arcot district. When he came

[Maulvi Muhammad Abdul Ghani.]

to know that the Muslim population of Mellosarum had been shown as 6,500 and that the figure of the Hindu population had been exaggerated beyond expectation, he reported the matter to the local Charge Superintendent, and the Charge Superintendent was good enough to order a verification. On the verification being made, it was discovered that the number of Muslims, instead of 6,500 was 9,500. This is the position in a small place like Mellosarum. Sir, the other day when I looked into the local daily paper *Anjam*, I learnt that there is a place in the Punjab called Rajgarh, where the returns of the Census Charge Superintendent, when verified, showed that there was an increase of 6,800 Hindus. He is a man of education, a Doctor of Medicine, and he practised such a foul thing. He was taken into custody and the matter is under investigation. He has stated that it was decided to increase Hindus by 60,000 there. Such is the report from Bihar too. When I went to see a supervisor in the Siwan Municipality where I reside, he informed me that a Hindu enumerator just by his side had deliberately shown a family of 3 members to consist of seven persons. When he verified it, it was discovered that it was a deliberate attempt to increase the number. Sir, instances after instances have been reported, and the Honourable Mr. Fazlul Haq, the Premier of Bengal, too issued a statement to the press on the 28th of December last and thereafter to the effect that there was a conspiracy to reduce the number of Muslim population in Bengal and the same is the case in Bihar and other places as well. So, Sir, the real utility for which census was made has been nullified.

As regards the wrong entry of mother tongue,—I forgot to mention my own personal case,—after mentioning this I shall refer to the question of mother tongue. I came here on the evening of the 7th February with my wife, five daughters and two sons,—all have been neglected and not registered. Since the 8th February till the 1st of March no enumerator turned up, nor did any supervisor come to verify the figures. This is the case of a person of my position, a Member of this House, with a big family residing here, and he has totally been ignored and left out. Such is the attempt of the enumerators of the majority community. What utility can we expect from the figures prepared out of such wrong and incorrect enumeration.

**Sir Syed Raza Ali:** Who is your enumerator?

**Maulvi Muhammad Abdul Ghani:** I do not know. I tried to find him out, but could not.

**An Honourable Member:** What is the good of raising a family if you cannot get them enumerated?

**Sir Syed Raza Ali:** You ought to have gone to the Home Member.

**Maulvi Muhammad Abdul Ghani:** I have written to the Deputy Commissioner to take the necessary steps in the matter and am awaiting his reply.

Now, Sir, as regards the return of language, on the 15th of January last the Census Superintendent of Bihar issued a circular letter, No. 24,

dated the 15th January, 1941. That letter asks the various census officers to return the language as dictated or as reported by the person. Notwithstanding that, every effort was made first deliberately to suppress the letter and then to violate the instructions contained in that letter. For instance, this circular letter was received by the Sub-Divisional Magistrate of Siwan on the 20th January last and he forwarded a copy of the same circular letter to the Chairman of the Siwan Municipality who was the Charge Superintendent of the town the very next day. But the Charge Superintendent withheld that till the 28th of January. When the Muslim League started agitation, he forwarded it to the supervisors on the 29th January and by that time every wrong entry had been completed. Sir, in a small town like Siwan, a circular letter sent by the Sub-Divisional Magistrate regarding the return of language was suppressed for more than a week. You can imagine the difficulty in which the enumerators were placed under such circumstances. In other parts of Bihar, census enumerators were appointed, and some of them were Muslims, but they did not know the Hindi language. They were compelled to submit their returns in Hindi. Such was the difficulty of the Muslim enumerators . . . .

**An Honourable Member:** Where were you then?

**Maulvi Muhammad Abdul Ghani:** I came to Delhi to increase the population. That was the difficulty of the Muslim enumerators. Some had to resign when such compulsion was forced on them, while a very good and golden opportunity was provided for Hindu enumerators who were a party to the deep-rooted conspiracy of increasing the Hindu population. But, Sir, we are not going to be guided by the heads for our political privileges. We have already declared, and fortunately it has been accepted by the Government, that we are a distinct nation. There is a place called Shaikhpora in the Patna Division where the Charge Superintendent was so deliberate in his action that he ordered enumerators to write Hindi or Hindustani against the names of Muslims notwithstanding the clear circular of the Census Superintendent of the province of Bihar. He was proud of being a magistrate. These are a few instances of the actual state of affairs. The other day I tabled an adjournment motion to discuss all these things when I received a long telegram from Cawnpore, U. P., giving information of this tragic state of affairs in Orissa, Bihar, U. P., C. P. and some of the Native States. Unfortunately, the Honourable the Home Member took objection and we could not get an opportunity of discussing it. There is one thing which I want to bring to the notice of the House and it is this. No Urdu forms were supplied, and not only that, but even the instructions issued to the enumerators were all in Hindi, so far as I know about Bihar. I have no information about other provinces. The Urdu knowing enumerators had the greatest possible difficulties and they had to go and borrow Hindi teachers. So, it was the duty of the Government of India to see that Urdu forms or at least instructions for enumerators who happened to be Urdu knowing were given in Urdu. As regards the caste for Mussalmans, I referred the matter to the Honourable the Home Member who was kind enough to assure me that at the tabulation stage there would not be any caste for Mussalmans because it was not meant for Mussalmans but for

[Maulvi Muhammad Abdul Ghani.]

Hindu citizens. He says in his D. O. letter No. 45/5/41-Public, dated 14th February, 1941:

"The principle behind all census enumeration is that the enumerator records the answers given to him by the citizens. Question 3 of the list, which in its present form has been unchanged since 1921 and has appeared in essence for six censuses, does not require a caste entry against Muslims. Three terms are used, the idea being that the citizen should answer that which is relevant to himself. The word 'caste' of course contemplates the answer given by Hindu citizen."

In the end he gives me an assurance, and I am very thankful to him for the sane view he has taken. He has assured me that at the tabulation stage no caste will be mentioned for Muslims.

I have moved this motion when no figures of census are out, and we are not at all satisfied with the correctness of the figures given by the various Hindu enumerators. I submit that the census operation of 1941, so far as the number of various communities is concerned, is not at all correct. Attempts have been made, forces have been used to record wrong entries, and this was not only the case with the Muslims. The untouchables, the depressed classes have also been forcibly, intentionally and deliberately wrongly recorded as high caste Hindus. And I want to say that all these futile efforts will not be useful. Nature is helping the Muslim population at every census. If you compare the census of 1911, 1921, and 1931, you will find a regular increase of about 2.5 per cent. over their total population; and in the towns the Muslim population is being increased at every Census by more than five per cent. and high caste Hindus are down by 2 per cent. in every census. So, I think, all these futile attempts will not jeopardise the interests of the Muslims.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member's time is up.

**Maulvi Muhammad Abdul Ghani:** I move. Sir.

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

"That the demand under the head 'Census' be reduced by Rs. 100."

**Haji Chaudhury Muhammad Ismail Khan** (Burdwan and Presidency Divisions: Muhammadan Rural): Sir, I rise to give my wholehearted support to the cut motion so ably moved by my Honourable friend, Maulvi Abdul Ghani. Sir, at the time of each census the desirability of correct recording of heads is brought to the notice of the Government, not only on the floor of this House, but outside it as well by means of speeches, newspaper articles and personal representation to the authorities. It is a great pity that in spite of the unanimous demands and wishes of the people of this unfortunate country, Government turn a deaf ear to our just representations and the Honourable Member sits tight over his seat as if nothing had happened. The Honourable the Home Member must realise that a great deal, in a country like India, depends on correct recording of census, as political representation of the future is intimately connected with the population of a community. We have always been submitting that, so far as minority communities are concerned, unless a careful and accurate census is taken, the error would remain till the time of next census and this under-estimating of the strength of the Muslim community, particularly, would amount to a denial of political representation to which it is legitimately entitled.

Sir, our grievances in connection with the recent census operations are numerous and it is not possible, within the short time allotted to this cut motion, for me or for any other Honourable Member to mention all of them in detail. My Honourable friend, the Mover of the motion, has already mentioned so many irregularities which have been committed to harm the Muslim cause. I do not know how far the Government were justified in not supplying the enumeration forms in Urdu in Bihar and certain other places, and compelling the enumerators, who did not know Hindi, to use the Hindi script. Does this not amount to clear injustice to Urdu-knowing population, both Hindus and Muslims?

I must not hesitate to point out, Sir, that the charge of certain enumerators making false entries in the census returns is not only based on suspicion but on actual experience. From my personal experience in Bengal, I can say without any fear of contradiction that deliberate attempts were made to minimise the Muslim population and increase the number of my Hindu brethren. I may also tell the House that in certain places enumerators did not even visit the houses of certain persons. Even my own house in Calcutta was neglected, and nobody turned up to take the count.

Sir, we cannot tolerate such a state of affairs to continue any longer, and in all earnestness I impress upon the Honourable the Home Member the desirability of doing justice to my community by issuing immediate instructions, even at this late stage, to the provincial census authorities to set right the irregularities and omissions brought to their notice before the final census figures are published. With these few words, I resume my seat.

**Mr. M. W. W. M. Yeatts** (Government of India: Nominated Official): I heard a friend of mine say yesterday that I have a weak voice but I hope it will not prove too weak today.

I will take up the points that Mr. Abdul Ghani mentioned. I may tell him that it had never been the practice in the past to use Urdu forms in Bihar, because the great majority of Muslims there use the ordinary script Kaithi. I have seen Muslim enumerators using that script. My friend should know that the Government have sanctioned optional use of Urdu in the Bihar province.

**Maulvi Muhammad Abdul Ghani:** May I know who has issued . . .

**Mr. President** (The Honourable Sir Abdur Rahim): Let the Honourable Member go on.

**Mr. M. W. W. M. Yeatts:** I went there and I gave instructions about all these things, and that where a man definitely told the enumerator that he wished to make his record in Urdu that should be accepted.

**Sir Syed Raza Ali:** That is exactly the point. Those forms were not supplied.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member had better not be interrupted.

**Mr. M. W. W. M. Yeatts:** Now, Sir, all the other matters raised come under the general head of how the census in India is conducted and I

[Mr. M. W. W. M. Yeatts.]

think it is really rather important to get that straight. Now, the Census in India is not a thing like the Posts and Telegraphs Department or the Customs—conducted by paid Central staffs. It is the cheapest thing of its kind in the world. It is a *tour de force* and it is performed on the unpaid activities of fellow citizens of ours of all communities. In any country, in any sphere, even on Venus, if they had a census there, the same thing would apply that I mentioned in a broadcast speech the other day; no census in any country can rise above the level of the people of that country. That applies also to England and the United States of America. Here, in India, our enumerators are not thought-readers. They cannot see through brick walls. They are not inquisitors. They have not got magisterial powers. In effect, the census is the record of the answers of the citizens to the questions put and that is an absolutely basic thing that would operate, as I say, in any census anywhere.

Now, the Indian census, in my opinion, is a thing of which the country should be very proud, very proud indeed. When I was in America in 1939, I was rather interested to find that two Indian administrative achievements were comparatively well-known and appreciated. One of them was the Survey of India and the other was the Census and when I left Washington, the head of the U. S. A. census said to me 'Good-bye and good luck. I would not like your job' and if he were here today, he would repeat that with emphasis.

Now, just have a look at this census, because it is important that all citizens should have a look at it. There is here a population of 400 millions—a fifth of the world. Your census from A to Z costs you under 50 lakhs. That is only made possible, as I say, by the people of the country coming forward and taking their unpaid share. Just think what it would cost if you were to pay these men. In America they pay their men four cents a head. If you paid your Indian enumerators at one anna per head, you would add two and a half crores to the cost of the census. That is itself five times the total present cost of half a crore. If you paid them at one pice per head, you would add 82½ lakhs to the whole cost. You had nearly three million enumerators last time. Now, you have a million and a half at least. You are able to conduct this so cheaply, because the people of the country take this social inquiry on their shoulders. That is one way of doing it. If you had to pay them, the expenditure would run into crores. I myself think that India has reached a very advanced position. The American census, for a third of our population, was 40 million dollars or 12 crores, that is 24 times the cost of the Indian census. If you take it per thousand population, the American figures work out to something like Rs. 900. The English figures are about Rs. 150 per thousand. The Indian figure comes to under 15. That is an enormously creditable thing and one that our people should realise. It is a very advanced position for this great country—that this big social inquiry should be carried on by the people and within their financial resources. It is a much more advanced position than is the case in some countries that are considered to be ahead of us.

Now, this is what we do in regard to the census. You must have regard to the fact that we do not pay these men, though in exceptional cases we do pay them. We use the existing material in all cases. We use the Government servants, people in municipal service, school masters etc. for the purpose of our census activity. The great thing in our census

is its dimensions. I was talking to a business man yesterday. He said a difference of a fraction of a pie in the turnover, the results will be terrific—leading to a profit of lakhs. Even if you add slightly to the original cost, the dimensions would alter the character of the undertaking altogether. So, we start on the principle of using what exists already.

Whatever kind of system exists in the area, we try, in our scheme, to give it. We don't recruit staff and pay them so much. We use the agencies that exist already; we use them, really, in essence, as citizens of the country, with a certain amount of local knowledge, as officers, and they do their work satisfactorily. In many cases it cannot be a very thankful job, but there it is. Now, strictly speaking, I think you could say that the census is the most truly all-India effort that we have. Theoretically it is a central subject undoubtedly; in actual fact, however, every kind of agency takes part and particularly the Provincial Government, who put their staffs at our disposal. Broadly speaking, the real census is based on the Provincial Administration's effort. Similarly in municipalities, and so on and so on. And that is how you get this figure of four hundred million people being enumerated,—and tabulated also, I should say,—because that figure of half a crore covers the whole of the operations. . . .

**Sir Syed Raza Ali:** May I ask what steps my Honourable friend has taken to see that the entries as made by the enumerators are correct? Is there any check over that? If so, what?

**Mr. M. W. W. M. Yeatts:** We start in the year ending 1940, or 1930, as the case may be, and make a house list. That house list takes some time to prepare and every place that should be visited is entered up and given a number. On the basis of that house list, blocks are allotted to the enumerators and then the blocks are grouped in things called circles, each of which is under the control of a man called the supervisor. The supervisor again is chosen, wherever possible, from Government servants and so on in the neighbourhood. The circles are grouped into larger units called charges, these charges again are put in the hands of a man called a Charge Superintendent, with local knowledge, connections and suitability of character, but, again, these men are not paid. Then the charges come within the *Tehsil*; and then the *Tehsils* within the districts. At the *Tehsil* stage it is linked up with the ordinary administrative chain. In the course of the enumeration the record is checked by the supervisor; the Charge Superintendent can check; so can the *Tehsildar*; and all these officers when touring are encouraged to check as much of the census record as is available, to check the enumerators, to train them and so on. That is how the whole thing is threaded through; it is made as open to check and scrutiny as possible.

Mr. Abdul Ghani mentioned the "caste of Muslims". I would like to make one comment on that question. Question 3 in the list was called "race, tribe or caste". Now that question has been practically unaltered for sixty years. It is really a compendious question meant to cover three broad categories. For people like myself, for non-Indians, roughly, the idea was "race". The term "tribe" would apply to the people in whose organization the tribe is the unit, and similarly, "caste" applied to Hindus—It was simply a compendious question, meant to bring the whole population under one question; and, as I said, that particular question has been practically unaltered since 1881; that was the end it was meant to serve. Now

[Mr. M. W. W. M. Yeatts.]

my experience is—I had some experience of a contentious area in 1931, but on a small scale, I admit, on the Oriya-Telugu border, where feelings ran very high and the interests were divergent, and much the same sort of agitation was going about then as is going about now. Now, the enumerators then were Telugus or Oriyas, because they were taken, as I have explained, from men with local connections suitable for the job. But the air was full of oburgation, if I may use the word, and mutual suspicion and so on. I myself, quite apart from special officer, went over a great deal of that area and the ordinary enumerator whatever he was had gone and done a really good job, and that is why—I say I have a great respect for the Indian enumerator, a very great respect indeed, and I think it is of importance that that fact should be made known. There he is. He is doing this job, for which he gets no pay, and he gets a good deal of misunderstanding and other things. The important thing is to realize that he is a fellow-citizen of ours among all communities, who is going ahead and doing this thing which is of such importance to us all: and my conviction is that, if he is given the right atmosphere he will do it.

Take the ordinary basis of enumeration in a village. Really half the village may take part,—because things like the determining of age will often be settled after consultation with the older grown-up people, the stand-byes in the village, who remember what happened fifty years ago. Very largely it is a public operation and it is a very good thing that it should be so. Then the basis of any record of this sort is, as I said, the statements by citizens; and I repeat what I said before, that no census can rise above the level of the citizens who give the reply. I think you can see from what I have said or from your own knowledge that, broadly speaking, the quality of a census record depends on the attitude of the citizens. There is no getting away from that; that applies to other States as it does here. Now, actually, what I feel is that the general attitude of the citizens is sound, and the interest of all parties, of every single person is to keep passion out of the census. That would apply to any kind of undertaking,—I mean when a scientist is doing an experiment, he banishes from his mind altogether any prejudice and so on; he simply carries it out as best he can, and then after he has got results, he makes deductions from them. Now, our census is a very great and important feat of—one might call it—"social observation"; we sit down, as a people, in this great peninsula to observe the "social facts" and record them. We have succeeded, so far, in India in doing it in a conscientious and economical fashion, and I think it is enormously to the credit of the country that that has been so. I said in a broadcast that the country has two budgets. In fact, any country has two budgets. We can call one a rupee budget. Every anna of that comes from the pockets of the people of the country and it has its limitations. But the other budget relates to the social consciousness of the people and their willingness to spend on the time-honoured customs. In the best communities you will find that what I call the unseen budget is the more important of the two. It can go as far as the spirit of the people will take it or it can sink to the zero point.

**Sir Muhammad Yamin Khan** (Agra Division: Muhammadan Rural): May I point out to the Honourable Member that there are only five minutes more for the House to adjourn? Will he kindly reply to the points that have been raised?

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member has got only one minute more. Has the Honourable Member anything more to say?

**Mr. M. W. W. M. Yeatts:** On the actual points raised by Maulvi Abdul Ghani about his own enumeration, I have made a note of it. The census of the Delhi province is done by the Punjab, but on that point I have made a note. Actually, I came across a man who said he had not been enumerated but it turned out that his wife had given all the information. I am giving that as an indication of what happens.

Then, there is the question of the language which was mentioned by Maulvi Abdul Ghani. Now, in many cases you might not have the answer given in a form which is immediately intelligible. A man may give the name of some dialect which may not be quite familiar, but the broad principle is that the language is recorded as given. The question asked is the mother tongue of the person. That is to say, what is the language that the person first spoke? I mean, the first speech he uttered as a child. It does not mean the language which a person favours now or the language of his adoption. The question is couched in that way in order to get on to as absolute a basis as possible. It must be very exceptional to have a man who has had more than one mother tongue, although it is not impossible. That was the object of the question, what was the first language uttered? So, that was the question that our enumerators were told to ask and to record an answer.

**Mr. President** (The Honourable Sir Abdur Rahim): The House has got to rise today at quarter to one, being Friday.

**Mr. M. W. W. M. Yeatts:** I have finished my speech and I repeat what I said before, namely, that this census system is enormously to the credit of India. As for the men who have taken census, I must say that I have great regard for the Indian enumerators.

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair does not know whether the Muslim League Party want the motion to be put to the vote.

**Honourable Members of the Muslim League Party:** No, no.

**Mr. President** (The Honourable Sir Abdur Rahim): In that case, the only other course is that the Honourable the Mover should ask for leave to withdraw it.

**Sir Syed Raza Ali:** Let the motion be put to the ordinary vote.

**Mr. President** (The Honourable Sir Abdur Rahim): The question is: "That the demand under the head 'Census' be reduced by Rs. 100."

The motion was negatived.

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

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

## DEMAND No. 12—EXECUTIVE COUNCIL—contd.

*Financial Policy with Special reference to War finance.*

**Mr. T. Chapman-Mortimer** (Bengal: European): Sir, I beg to move:

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

Sir, the Budget just presented has revealed new and heavy burdens and the purpose of this motion is:

(1) To consider whether, having regard to the present and future needs of India, and more particularly the needs arising out of the war, the general financial policy of Government has been and is in the best interest of the country.

(2) To consider whether there are not further steps that can and should be taken to further the war effort in its financial aspect.

I propose to confine my remarks to the first of these considerations; but before I pass on to comment on Government's policy it is necessary for us to consider for a moment the general situation that forms the background of financial policy. Vast changes in our financial, economic and social structure are taking place everywhere around us. In war, in politics, in finance and in trade, the course of events *now* will shape India's history for a generation at least—perhaps for a far longer period. That these profound changes are already making themselves felt is clearly evident all through the Budget statement. This is plain also for all to see, in every Province in India today. In these circumstances it is unfortunate that the two largest political organisations in the country should have rejected His Excellency's offer and thus denied themselves at least some voice in the formulation of Central policy. True, one of these great parties, though it has refused the responsibility of holding office at the Centre is working the Provincial part of the 1935 Act. To that extent, the Muslim League has shown greater wisdom than has the Congress. To that extent also the Muslims are taking a far from unimportant part in shaping India's economic future.

Now, Sir, there are, as it seems to me, three outstanding features of Government's financial policy:

"(1) the Honourable the Finance Member has frankly budgetted for a deficit—though he admits that this is a sensitive spot!

(2) direct taxation of war profits has been raised to a very substantial level.

(3) a ways and means position has been revealed that must give many much food for thought; for it again brings to the forefront fundamental issues. These issues fall under three main heads:

- (i) constitutional,
- (ii) financial,
- (iii) economic."

Of the first, I will say just this, namely, that we have now almost reached the stage where some of the former financial difficulties in the way of advance towards Federal Responsibility will have been removed. As Honourable Members know, Lord Irwin's Government in 1930 drew the attention of His Majesty's Government and of the Round Table Conference Delegates to the important constitutional problems involved in, or arising out of—

(1) the then existing large short-term debt,

(2) India's large sterling debt.

Thanks in great measure to the work of the Honourable the Finance Member's two immediate predecessors, there has been—during the last six years—a great reduction in the former—take, for example, Outstanding

Treasury Bills which in 1931, were in the order of Rs. 40 crores, but on 28th February, 1941, were less than Rs. 20 crores—i.e., just half of what they had been ten years before. Now, in co-operation with the Reserve Bank, the Honourable the Finance Member has brilliantly tackled the second problem—*viz.*, the sterling debt. When we consider the magnitude of these great financial operations and ponder over their far-reaching consequences we feel bound to agree:

“(1) that they have greatly strengthened India's credit,

(2) that there are few countries today fortunate enough to possess sufficient liquid resources to repatriate a large portion of their external debt, whilst leaving their Central Bank in a position of unchallengeable strength.

(3) that the financial policy pursued during these last few years has given convincing proof of the *bond fides* of His Majesty's Government in the matter of Indian Constitutional Reform.”

His Majesty's Government and the Government of India, at least, have done *their* best to honour *their* pledges—they have fully honoured their promise to do all that lay in *their* power to remove what were very real obstacles in the way of the next stage of constitutional advance. I could wish that I was able to say the same of others.

Reference, Sir, was made, during the general discussion, to the empty Benches on the extreme right and when we reflect that 12—15 years ago there sat on these same benches men like the late Motilal Nehru and like Sir Purshottamdas Thakurdas,—men whose intervention in a debate on Government's financial policy would have been invaluable, it is difficult to find patience with the follies and futilities—the Himalayan blunders—that have brought things to their present pass.

Great financial magnates may continue to issue statements on the Budget and pass resolutions outside this House, but, Sir, until they realise that the place to discuss India's finance policy is *here* in this House; until they realise that the conditions, which from 1928—1937 made it possible for them so often to exercise financial pressure (by speculation in Government paper, exchange, and commodities for example),—until they realise that these conditions have now *altogether* changed, until having realised these things they have the courage to defy the ban of the Congress High Command and change policies, financial and otherwise, in which the great majority of educated Hindu opinion has no faith, the outlook for responsible government is poor indeed. Nor is the outlook likely to improve so long as the official Congress policy continues to represent—as it frequently does represent—the Members of this House as so many marionettes dancing to a tune that is played outside. This is and always has been a dangerous game to play—especially is it dangerous today for those who demand full responsible self-government—responsible to whom? To the High Command or to Wardha? It is little wonder that in such circumstances the cry of Pakistan is raised. It is little wonder that, while, on the one hand, His Majesty's Government have gone steadily forward as they promised to do preparing the ground for the next stage of constitutional advance, we see on the other a steady backward movement in India against the whole idea of responsible government.

Now, Sir, I turn to the second issue, namely, the financial one. It has been said—and I fully agree—that the acid test of a sound financial policy is whether or not it is strictly in the interests of India.

[Mr. T. Chapman-Mortimer.]

The most important fact we have to remember is that this third war budget is first and foremost a *deficit budget*. It is a deficit budget notwithstanding the enormous sums—running into many crores of rupees—contributed by His Majesty's Government directly or indirectly towards India's defence expenditure. It is a deficit budget notwithstanding the *very high level* to which direct taxation has been raised.

Though we have drawn the last rupee out of the Revenue Reserve Fund, India ends the current financial year with a nett addition to debt of Rs. 5½ crores. In the coming year the preliminary estimate of the excess of expenditure over revenue is approximately Rs. 20 crores.

The question, therefore, that this House has to consider is whether Government are justified in presenting a deficit budget of this size: whether in fact Government have exhausted all the possibilities of taxation in this great emergency: whether their programme of borrowing is sound:

It is perfectly obvious to every one that it is quite impossible for the Government of India to finance the whole of its war expenditure by means of taxation. The pressing and *immediate* problem is to find the enormous sums required for war purposes of all kinds. It is obvious too that there are certain forms of Government expenditure, both Central and Provincial, that have less importance at this time than others. My Honourable colleague from Boinbay will, I think, deal with the policy now adopted towards these matters and with certain aspects of taxation policy generally. I, therefore, propose to confine myself now, to a brief examination of India's ways and means position and to certain aspects of policy that would seem to arise out of it.

Apart from a tremendous increase in Defence expenditure, perhaps the most striking feature of this Budget lies in the manner in which it reveals the strength of India's credit. Only ten years ago, the Government of India was borrowing at six per cent. Today it is raising substantial loans at three per cent, while Treasury Bills are costing the Government no more than 5/8th per cent. There can be no question, therefore, of the strength of Government's financial position notwithstanding the enormous strain imposed upon it by the war.

At the same time, in the financial year that is drawing to a close, there is as I have just said, an anticipated nett deficit of 5½ crores after providing three crores for the reduction of debt. It is important, moreover, to remember that the real difference between income and expenditure is far greater than the amount of Rs. 5½ crores to which I have just referred. For, as Honourable Members are aware, an amount of seven crores 77 lakhs has been withdrawn from the Revenue Reserve fund.

For the year 1941-42 the Finance Member has budgetted for a nett deficit of 18 crores 85 lakhs including three crores provision for the reduction of the debt. It will be seen, therefore, that even if things do not become worse later in the year, there is already a substantial gap between revenue and expenditure.

This gap must be filled by borrowing. Yet, the striking fact is that the tone of the Securities market is decidedly good. The main commodity markets—with the exception, perhaps of jute where special circumstances prevail—are all steady. The same is true of popular miscellaneous industrial shares. So much then for the cry of those who say that the heavy

increases in Excess Profits Tax and Income Tax will ruin business. All this may, at first, seem strange to those who attach importance to the strict balancing of the Budget in normal times. But the reason for it quickly becomes apparent when we examine Government's ways and means position. Whereas in 1931 the amount of Treasury Bills outstanding was—as I have said—not far off 40 crores, on the 28th February, 1941, the amount outstanding was just under 20 crores. In addition, there has been a substantial reduction in India's short term indebtedness and a reduction also in her sterling debt. As the Honourable the Finance Member has pointed out, the reduction of Sterling debt since 1935 has been no less than 220 crores, of which 120 are accounted for by the recent conversion operations that have been so widely welcomed throughout the country.

The Reserve Bank, too, by its ready co-operation with the Government in financing these large operations deserves its share of credit and has fully justified the confidence that the commercial community has in this institution and in its Governor, and in its Board of Directors.

The inherent soundness of the ways and means position has been further strengthened by the financial operations attendant upon the enormous purchases of war materials on behalf of His Majesty's Government. These purchases in effect largely provided the sterling which made possible the recent large conversion operations; and are no doubt a main cause of the substantial reduction in the remittance requirements of the Government of India. In the coming year—so far from Government having to acquire Sterling—they actually expect a refund of not less than 26 million pounds. In other words, the so-called drain to which Indian commercial opinion has so often referred has now been converted into a strong flow in the opposite direction, *viz.*, from the United Kingdom to India.

And now, Sir, I come to the third main issue brought into prominence by this Budget, namely, the economic one. The striking change that has come over the ways and means position of the Government of India during the last six years and especially during the last 18 months must inevitably have most important repercussions on India's trade and industrial policies. The new position must certainly give food for thought to importers and exporters, as well as to the more far-sighted industrialists. Great changes have already come about in India's important export trade, and, with the substantial reduction now effected in India's annual Sterling obligations, some of the trends already strongly in evidence seem likely to be accentuated. For the moment, the Empire's enormous war purchases from India by the United Kingdom and by other Empire countries, have more than off-set the loss of certain continental export markets; that is to say, last year's exports *taken as a whole*, have been far larger than the average exports of the immediate pre-war years. At the same time, we cannot overlook the fact that millions of the people of this country are dependent upon the export of certain main commodities such as jute, raw cotton, groundnuts, etc. This factor, namely, the large favourable balance of trade, will, therefore, undoubtedly come more and more to the forefront as the War continues and is bound to have the most important consequences after the War on the tariff policy of Government and therefore upon industrial policy.

In paragraph 31 of his speech, the Honourable the Finance Member referred to the need for more intense mobilising of the country's savings.

[Mr. T. Chapman-Mortimer.]

This, however, is a point upon which I do not propose to dwell, as it will, I think, be one of the points dealt with by my Honourable friend from Bombay.

There is, Sir, one last matter on which I should like to touch before I conclude. I referred the other day to the importance attaching to a strict control of prices. I fully appreciate the point made by the Honourable the Finance Member in his reply—namely, that price control is not an easy matter. It is in fact most difficult and complicated, and it is, for obvious reasons, closely linked up with Government's credit and taxation policies. We have clear evidence of Government's active interest in this matter not merely by reason of the steps taken to regulate certain commodity prices, but also in their taxation policy.

The present very high levels of Excess Profits Tax and Income-tax are undoubtedly operating precisely in this direction—namely, as a check on any tendency towards an *undue rise* in prices. Heavy Income-taxes and Excess Profits Taxes, for example, tend to check unnecessary capital expenditure. Such expenditure, therefore, as does take place now in those industries making large war profits, tends to be limited to essentials.

**Mr. Deputy President** (Mr. Akhil Chandra Datta): The Honourable Member's time is up.

**Mr. T. Chapman-Mortimer:** May I have a few minutes more, Sir, perhaps two minutes, as the House is rather empty?

This has a very important significance for the future of the heavy industries—especially for engineering and steel and, therefore, also for coal and cement. It has significance also for the future of Railway traffic; for the Railways are and must be vitally concerned with the prosperity of heavy industry. By mere reason of the fact that the Honourable the Finance Member has imposed the heavy Excess Profits Tax and increased taxes on income that he has, it is evident that the Government of India are doing precisely what the Federation of Indian Chambers of Commerce, for example, suggest they are not doing—namely, *looking to the future*. The Honourable the Finance Member quite obviously is thinking ahead; this whole budget shows it. All the arguments of the Federated Chambers on this question reveal contradictions and a lack of clear thinking which is frankly surprising. I shall take just one illustration of this.

The Federated Chambers say "the proposals to impose heavy additional taxation are bound"—I would call this particularly to the attention of the House—"are bound to affect adversely the capacity of the commercial community to hold stocks of commodities". Precisely; they achieve one important effect to which we are assured Government attach the highest importance, *viz.*, stability and steadiness of the commodity price level. The Federated Chambers are quite correct, therefore, in one respect—a high Excess Profits Tax *should* check the buying up of large stocks by speculators and others when the market price is relatively low and so prevent or check these speculators "buying for a rise" in which quite certainly the primary producer *would not* benefit,—whoever else might do so. When money rates are so very low as they are today, it is most *essential* that direct price control should be *supplemented* as (by reason of a high Excess Profits Tax and Income-tax) it is supplemented. It is all the more important to have this further check,—namely, a high income-tax and Excess Profits Tax during the war period—when, in addi-

tion to actual increased war demand, the more important raw commodity markets would, *but for price control, heavy taxation, etc.*, be subjected even more than they are at present to all the violent price fluctuations that periodical scarcity of shipping and of railway wagons (not to mention other war time difficulties) would otherwise certainly cause.

Large stocks must, of course, be held by many industries, at different times—in the jute and steel industries for example. But if an industry is *not* making large war profits the factor of Excess Profits Tax does not arise—if it is making large war profits a check on any *undue* tendency to maintain over-large stocks is of the very greatest importance:

- (a) as a safeguard for the primary producer *who cannot* hold large stocks;
- (b) as a safeguard for the industry *itself* against the type of trouble so commonly met with in 1920—namely, the throwing of unnecessarily large accumulations of stocks on a rapidly falling post-war market, of which Indian industrialists have bitter experience.

In my opinion, therefore, the Budget *does* reveal a financial policy that *is* in the best interests of India. It also shows a carefully *balanced* policy, as between the raising of revenue by *taxation* and the raising of further sums by way of *loans*.

Defence expenditure, though naturally heavy, as war time needs dictate, is in accordance strictly with India's own needs and the protection of India's own interests; while His Majesty's Government's great contribution—it is more than double the amount of India's own *war* contribution—is further convincing proof that England is playing her historic role at this great moment in our Empire's history. Sir, I move.

**Mr. Deputy President** (Mr. Akhil Chandra Datta): Cut motion moved:

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

**Dr. Sir Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): Sir, I am glad that my friend, Mr. Chapman-Mortimer, from the European Group, has raised such an important issue on the floor of the House. Before I come to the real point which underlies this motion; I may just mention a few words about his remarks about the Muslim League. I may tell him on the floor of this House that the Muslim League never non-co-operated in the war efforts. They only said that their effective co-operation would be there if certain conditions are satisfied. They had this offer and the offer appeared to us to be reasonable and no attempt was made by any side that the offer was not reasonable. We merely said that here we have three parties in India: one is the Muslims, the second, for want of a better expression, I call the caste Hindus, and the third, the scheduled castes or depressed classes and other minorities. In population, these three categories are approximately equal in number. The demand of the Muslim League was that the shares given in the executive council to the Muslims should be the same, as given to caste Hindus, because they are approximately equal in population; and in case the Congress non-co-operated, then their seats should be distributed among those who are co-operating, and, therefore, it naturally follows that the Muslims, if Congress does not come, will be in majority compared with the caste Hindus. The Muslim League did not say anything about the representation of the Scheduled castes and other minorities.

[Dr. Sir Ziauddin Ahmad.]

This demand was there and it was for Government to accept or not to accept the offer, and decide whether our active and effective co-operation should or should not be there. So far about the political side of Mr. Chapman-Mortimer.

He mentioned a few other points which I regret that within the fifteen minutes at my disposal I cannot discuss in details. He referred also to the question of the price level. I laid very great stress that the price level ought to be maintained in order to keep the stability of the country; and I think the greatest sinner in this respect in raising the prices is the Supply Department, because the moment the Supply Department was created, there was immediately an announcement from the Supply Department that they would allow 25 per cent. increase to the price level as existed on 1st September, 1939, and the effect was that all over the place even those who make earthenware raised their prices by 25 per cent. throughout the country . . . . .

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar** (Member for Commerce and Labour): I think the proper Department which should share the credit or blame for that is not the Supply Department, but the Commerce Department which issued the notification; but the notification really stated that Local Governments had discretion up to 10 per cent. to allow a rise in proper cases.

**Dr. Sir Ziauddin Ahmad:** That is an internal arrangement between the Treasury Benches—we think of the Government of India as a whole, irrespective of the fact which particular Department is responsible. I am glad to notice that they have given this discretion to the Local Governments and the Local Governments used at a later stage these powers, and directed the District Magistrates to stabilise the prices. In many cases a rise in prices was checked by the authority of the District Magistrates. That was the point I was coming to. I think if we give more and more powers to the District Magistrates, unnecessary rise in prices to the detriment of the consumers, and especially the poor, will not occur; and I am quite confident that Magistrates are competent to do it. I will quote certain examples on the occasion of the Finance Bill when the Government of India interfered in the discretion of the District Magistrate in certain articles. Sir, it is very important, in order to maintain stability in the country, that we should make every effort and give the necessary powers to District Magistrates so that prices may not be raised unnecessarily by the local merchants.

Then, the second point which I wish to raise.—I thought probably my Honourable friend would deal with it at greater length, but he did not do so,—the second point which I want to raise is the allocation of war expenditure between taxation and loan. The war expenditure, as we see it, is 84.4 crores, there is also the indirect expenditure connected with the war efforts, and the total comes to over 90 crores, like the expenses of the Supply Department, strategic lines and so on. Now, the question is, what should be the proportion of expenditure which should be raised by means of taxation and also by means of war loans. Or, in other words, what portion of our war expenditure the present generation should bear, and what portion should be transferred to the future generations. This allocation is an exceedingly difficult task, and the fixation of the proportion

is impossible for this reason. We know definitely that our taxing capacity is a fixed quantity, while the war expenditure is an unknown quantity, because we do not know what would be the war expenditure after six months. So, when one quantity is fixed and the other is unknown, the fixation of a proportion between these two is impossible. The only thing which you can tackle is this, and that is, we can try to find out how much burden the present generation can bear. I took pains to go into the matter, commodity by commodity and determine in my own mind what is the maximum amount of taxes which we might realise by these items—and the time of fifteen minutes is hardly sufficient for me to deal with these commodities,—I attempted to find the maximum amount of taxation which a particular commodity could bear. Sir, the Honourable the Finance Member is certainly in a much better position to fix this allocation, because he has got more materials at his disposal than I have, and so he could certainly fix in his own mind with the help of the information he has at his disposal what is the maximum amount of taxation which a particular commodity can bear. I can only discuss here a few fundamental principles on which the future maximum taxation can be fixed. One is this. You can take it for granted that any increase by means of sea customs is an impossibility during the war period, because country after country is becoming belligerent and the trade is rapidly diminishing. The trade is thrown into a chaotic condition, and, therefore, any tinkering with the customs duty is most undesirable at present, because we do not know what would be the export or import trade of this country. We know there are only two countries which are safe, I mean the countries of the British Empire and the United States of America, and the fate of the trade with every other country is shaky, and we do not know what will happen tomorrow. Therefore, in fixing the taxation policy, we should leave out the customs duty altogether and leave it as it is, and we can only fall back upon three heads. The first is the direct taxation, the milch cow, I mean the income-tax. We know the Honourable the Finance Member has raised the income-tax level by 33 1/3 per cent. I think there is still room to raise it further, but not sixteen annas in the rupee.

Then the other item is the excise duty. Here we must follow some principles. We have got protective duties on certain articles. We have to see how much money we collected before protection was given, and see whether this amount can be recovered by means of excise duties on these various articles. That requires close examination, and I think it is easy enough to calculate. Then the third thing is to see what are the new articles on which excise duty can be put, and we can find a few articles. It is quite possible to raise excise duty on certain articles provided the policy of our Finance Member is not a timid one, provided he is not afraid of the lion and the tiger in the story which is still left unrelated . . .

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar:** I am waiting to hear it.

**Dr. Sir Ziauddin Ahmad:** Yes, it will be related at the time when time is no consideration.

Now, Sir, in fixing the maximum amount of taxation, you should consider other contributions which the present generation is giving.

[Dr. Sir Ziauddin Ahmad.]

We should also take into account other contributions which I call voluntary taxes. I mean the contribution to Governors' Funds, Viceroy's funds and to various other funds. We know that every one of us pays it,—this voluntary direct contributions to the war fund is greater than our contribution in an indirect manner through taxation and otherwise. So, when you calculate the amount of taxation which the present generation is now making towards the war expenditure, you should also include the direct donations which are now being paid to war expenditure in different forms, and I think it is very desirable that as an Appendix to the Finance Member's Memorandum contributions by different provinces to war fund should be shown. Then we shall be able to see what share of the expenditure the present generation is bearing and how much of it the future generations will have to meet.

My Honourable friend, the Finance Member, knows that he has got a good amount of loan without interest for war purposes. The interest on that is also paid by the present generation. Therefore, my point is, that we should take into account the contribution which the present generation is making in the various forms I have just described, and then decide, taking into account the money that is required for war purposes, how much of it would be left to future generations, which really means how much of it would be met by means of loans on which interest will have to be paid by future generations.

Then, Sir, the other means by which we could raise further funds is really this. I briefly touched on it on the occasion of the General Budget. I suggest that a tax should be put on traffic. I did not like the idea of raising the freights and fares in the manner it was done by the Railway Member, but I think the Finance Member should come forward and levy a tax on traffic. It should not form part of revenue either to railways or to the Post Offices, but it should be as a sort of war contribution which should be debited directly to war funds, and as soon as the war is over, then all these special rates or increases in rates should discontinue, so that the people may realise that this increase is effected not to make the communications fatter, nor to show a very big balance in the Railway Budget nor a big balance in the post office budget, but it is raised from the people of this country purely for war purposes. I think this principle ought to have been recognised at the very outset, and the raising of fares and rates should not have been done in an indirect way in the Railway Budget, because you have thereby created all sorts of financial conundrums and new theories which are diametrically opposed to all theories of rates and freights prevailing in any other country in the world.

Then, Sir, the next point which my friend, Mr. Chapman-Mortimer, dealt with in his speech,—and I also wish to emphasise it,—is this. I think our present Finance Member and his predecessor have shown very great wisdom in reducing our sterling liabilities into rupee liability. They have reduced during the last five years our sterling liabilities by 172 crores. This is not a very small sum. It is a very big amount which they have repatriated during the last five years, while during the same period they have not raised our total debt. The total amount of debt increased during the last five years is only 48 crores and the major portion is due to the wrong policy of the Railway Department. They have a very peculiar

system of accounting, certain expenditure they always put under capital for which they have to borrow. The increase of 48 crores which we have added to our total debt in five years has not been caused by the Finance Department of the Government but they took loan for Railways. I think their policy has been exceedingly sound, the increase is due to the wrong policy of the Railway Department. Our financial policy has been exceedingly sound and it is very fortunate that in the middle of this great war the Finance Department and the allied Departments of the Government of India are doing their best to keep the financial stability of the country, to maintain the price level, to expand the industries, to increase the purchasing power of the poor, and to make every effort to keep the country in a flourishing condition. I am sure on account of this policy, the country will be able to bear additional expenditure due to the war, and when the war is over it will still find itself in a very good financial position.

**Qazi Muhammad Ahmad Kazmi** (Meerut Division: Muhammadan Rural): I find that Mr. Chapman-Mortimer has expressed his views on the political aspect, and in his analysis of the political situation, he has blamed the Muslim League and the Congress for refusing the offer of Government and for not co-operating with the Government at the Centre and also not co-operating in the war effort. Before deciding that, we must know what are the standards by which we should judge the co-operation or non-co-operation of these parties. What are the standards by which we should judge the offer that was made by His Majesty's Government? Up till now the principle that has been enunciated by the British Government is that of self-determination. But the question is, is that self-determination allowed to India? Is it or is it not a fact that the British Government without consulting Indian opinion, imposes any sort of constitution it likes? Has any party in this country accepted the constitution proposed by the British Government and worked it? How can we, then, say that the Muslim League or the Congress are to be blamed for not working the constitution, or not co-operating with the Government in the matter of war? There can be a difference in method adopted by the Congress and by the Muslim League for expressing their dissent, but I must say that there cannot be the slightest hesitation in advancing the proposition that none of them is co-operating with the British Government in the war. One may have resorted to satyagraha and the other may be here. But their policy is not to join the War Boards and War Committees. The Government have been trying the old game of pleasing one party at one time and pleasing another party at another time. But now they find that even that old game cannot work, and that it will not be possible for them to please any of the parties unless and until they please both.

What are the terms that are imposed or dictated by the British Government? Are they prepared to give any responsibility to  
**3 P.M.** Indians? Are they prepared to transfer any small part of their power to the Indians? Are they prepared to take them into confidence in any matter whatsoever? Have the Indians been dragged into this war with their consent? Were they consulted? Were the Indians ever asked their opinion as to whether India was in a position to engage itself in such a great war which may prove a disaster to the civilised world? No. They were never taken into confidence, they were never asked. Then what happens is that the Muslim League, the Congress and every other party

[Qazi Muhammad Ahmad Kazmi.]

protest against the attitude of the Government. The Members of the Congress Party absented themselves from the Assembly, but that does not mean that the Muslim League have ever accepted that they have been fairly treated. There is only a difference in the method of work, but as far as the real complaint and the real grievance is concerned, the Muslim League and the Congress, Hindus and Muslims, they all combine and declare that they as Indians have not been given the fair treatment which they ought to have got. It is said that the Government are always prepared to give Dominion Status or representative government if the Hindus and Muslims are all united. The Executive Council that was offered—what was that? Was there any idea given to any of the parties that the Executive Council would be responsible to public opinion, that the expanded Executive Council as was proposed would be representative of the House, would the members be according to the strength of the parties? I admit that certain agreement between the parties themselves would be necessary for forming a coalition or national Government, but the question is, was any such offer even with those conditions, made by the Government? Then who is to blame? The dictator or the person who refuses to be dictated?

The present position is we have been dragged into the war. Every party is resenting it and the Government have not hesitated at this time to impose all sorts of repression and all sorts of troubles on a party which is honestly disagreeing with them. So far as the Congress Party is concerned, what have they done to the Government? They simply say, "We will not be co-operating in the war effort unless we know where we are, unless we know that Britain is prepared to treat Indians as persons living in a free country, unless England is prepared to concede the principle for which it says it is fighting, to Indians also." That is what they say, and now they are going one after another to jail, not doing anything, doing no mischief, not harassing the Government, and I tell you, not embarrassing the Government. They do not want to embarrass the Government and that is why you see those Benches empty. Had they been here my friends would have been more troubled and they would not have been sitting so easily as they are sitting today. They would have voiced the feelings of the country and the Treasury Benches would have found it difficult to meet their demands but they do not want to embarrass you and they tell you 'Send us to jail'. You have sent them to jail but the method you are adopting in sending them to jail is inhuman. This very morning I brought up certain complaints about the treatment that was meted out to C class prisoners. They are persons who give notice to the authorities before they act. They say that they want to exercise their right of free speech. They are arrested before they exercise that right. If they exercise that right, they only repeat a formula. That is the only offence. I do not think it would be anything more than a technical offence.

So far as practical results are concerned, it may be saving the Government from embarrassment, because any person who can raise a dissentient voice against this Government is prepared to be shut up in jail. They want to show to the world that they do not agree with the methods of this Government and that they cannot conscientiously help the Government and that they would like to be in jail and that they do not want to embarrass these people. But what is the treatment meted out to them?

They are treated like ordinary culprits and they are treated like persons who have committed burglary, theft, dacoity and robbery. So far as I know, the fetters are used mostly for those persons who have committed some of the heinous offences but this Government takes pleasure in saying that C class prisoners convicted of non-violent political offences can be dragged in the streets just like ordinary criminals. They say that no distinction has ever been made between C class prisoners who have committed political offences and other prisoners. Claiming to be a civilised Government, they ought to be ashamed of this statement that they have been making in this House. They ought to have understood and felt that in every free country there can be no permanent and fixed Treasury Benches. People who are sitting in the Treasury Benches today may have to serve rigorous imprisonment in jails tomorrow. People who are in jail today will be governing the country tomorrow.

**Mr. T. Chapman-Mortimer:** On a point of order. Is the Honourable Member in order in talking like this.

**Qazi Muhammad Ahmad Kazmi:** Absolutely in order. You have blamed the Congress for non-co-operating.

**Mr. Deputy President (Mr. Akhil Chandra Datta):** A point of order has been raised. Strictly speaking, this is not relevant. The unfortunate thing is that the Honourable the Mover of the motion has made it relevant by introducing this question in his speech. Having allowed that in his speech, the Chair cannot disallow it now.

**Qazi Muhammad Ahmad Kazmi:** Now, Sir, as I submitted, there is bound to be difference of opinion on political matters. I know that my friends who hail from a foreign country and who are living with the help of the Treasury Benches may move a cut motion in name only and support them in reality but as an Indian, I must put the real condition before the House. You say that Government is carrying on the war effort quite well. I have no dispute about it. On account of the attitude adopted by the Muslim League, the Congress and other parties, the Government are very happy. Now, Sir, I am not speaking on behalf of any organisation. I am voicing my individual opinion, my personal opinion which may not be agreed to either by the Muslim League or the Congress . . . .

**Major Nawab Sir Ahmad Nawaz Khan (Nominated: Non-Official):** You are revealing many facts.

**Qazi Muhammad Ahmad Kazmi:** . . . And revealing facts about yourself also.

**Major Nawab Sir Ahmad Nawaz Khan:** Yes. We Indians know each other very well.

**Qazi Muhammad Ahmad Kazmi:** I know the real feelings of people like yourself, and I warn Government not to put any confidence in people who talk to us in one way and talk to them in another way.

Now, Sir, I said that the Government have not the least hesitation in inflicting inhuman treatment on people who differ from them on political issues. They have not the least hesitation in suppressing the idea of self-determination arising in the mind of an Indian. They want to 'nip it in the bud', as they say. They are just on the look out to see if a man has got any political tendencies and they take steps to suppress it. Then they

[Qazi Muhammad Ahmad Kazmi.]

say that they are a civilised Government who have got some respect for the opinions of others. They claim that they are prepared to give us Dominion self-government.

**Mr. Deputy President** (Mr. Akhil Chandra Datta): The Honourable Member's time is up.

**Qazi Muhammad Ahmad Kazmi:** I will only submit that the way in which Indians have been dragged into the war without the consent of India and the way in which the war is being financed from Indian funds is resented by every Indian and is not accepted either in policy or in actual work.

**Mr. Muhammad Ashar Ali:** Our friend, Mr. Chapman-Mortimer, has brought into this House a subject which is not confined to the present Budget and the Budget discussion. He has brought out in his speech questions like the Pakistan, the Muslim League, the Congress, democracy and a whole lot of other things which have nothing whatsoever to do with the cut motion that he has brought forward for discussion, namely, to discuss the financial policy with reference to war finance. I do not know how Pakistan theory is relevant to it and how the Congress is relevant to it. Sir, You have just ruled that and as you have allowed the Mover to refer to them, so discussion on those matters will be relevant. Sir, the other day when Mr. Chapman-Mortimer spoke, he did justify the Government policy about taxes and he said something to this effect also, "Well, big loans also ought to be raised, that is very much better than that taxes are to be levied on the people of this country". Sir, he ought to know it well that loans, if they are raised in future, will be a greater burden on the future generations in India. I know and feel that, perhaps, he thought that, well, he will not be here, he may be somewhere else, or his people may be somewhere else. . . .

**Sir F. E. James:** He is quite young. . . .

**Mr. Muhammad Ashar Ali:** . . . he may retire, perhaps he may have to go bag and baggage from here. Therefore, he thought that let the Indians bear all these burdens; we do not mind the future generations of Indians bearing it. But the fact remains that there would be a burden on India's future generations and, therefore, why should we Indians burden our children with *your* debts of the present day? Why? Are we not right in saying, "all right, you have imposed taxes and you want to raise more loans, well, do it, you have got all the gold with you, you have got the silver with you, you have got control over the Indian finances, you can do what you like."

**Mr. M. S. Ansy:** Are you quite sure they have got it?

**Mr. Muhammad Ashar Ali:** I am quite sure they have got the gold with them.

**Mr. M. S. Ansy:** They have not sold it?

**Mr. Muhammad Ashar Ali:** The gold reserve is still in India.

**Maulana Zafar Ali Khan.** (East Central Punjab: Muhammadan): Is it "rolled gold"?

**Mr. Muhammad Azhar Ali:** I am told that the gold reserve is in India.

**Mr. M. S. Aney:** I do not know whether it is a fact or not . . . .

**The Honourable Sir Jeremy Raisman:** On an important point of fact, did I understand the Honourable Member to cast some doubt on the presence of the gold reserve in India?

**Mr. Muhammad Azhar Ali:** I do not doubt it, I take your word as gospel truth.

**The Honourable Sir Jeremy Raisman:** Thank you. Perhaps the Honourable Member would like to be conducted round the vaults of the Reserve Bank.

**Mr. M. S. Aney:** My object in putting the interjection was that I wanted an emphatic affirmation of the fact once more on the floor of the House.

**The Honourable Sir Jeremy Raisman:** That was my object also.

**Mr. Muhammad Azhar Ali:** It won't disturb the equilibrium of my mind. Then, Sir, so the Finance Member said that the monetary position of India is very sound. Sir, if the monetary condition is very sound, I do not see any reason why loans should be raised outside, in America and other places. So my own contention is that whether you raise loans outside or inside India, they will be something which will have to be liquidated by the future generations in India. Sir, if they like to raise it in India, Indians would be prepared to give loans; if they want to raise it outside India it will be a greater burden. However, I do not mind whether they raise it outside India or inside India; they have already asked the Provincial Governments and the Provincial Governments are trying their level best not only to raise loans but also to raise subscriptions in different forms; so that may also be considered to be a burden on the Indian people. Sir, when we started to read this year's Budget Speech of the Honourable the Finance Member, we found at the very beginning that it was a sorry tale of the past sins of the present Government of India. When I read part 2 of paragraph 8 I found that it was mentioned there:

"In some directions, we are, it is true, still held back by the difficulty in obtaining materials which we cannot as yet produce in India and also by the shortage of skilled personnel of various categories."

Sir, whose fault is it? Have not Indians been asking for these things from time immemorial, from the very inception of this House? Even when this House was not brought into existence they have been asking for these things, they have been crying hoarse over it, and they have been asking that, for God's sake, remove all these difficulties and increase the industrial production of India.

**The Honourable Sir Jeremy Raisman:** And increase the expenditure on defence?

**Mr. Muhammad Azhar Ali:** That does not matter; the defence expenditure is bound to come in future. But what I point out is the wrong policy adopted by the Government of India, over which they are weeping today, over which they are crying, they are regretting that they did not do it. Then I come to the second portion in paragraph 10:

"Troops may be gallant and well equipped but they are not likely to succeed in modern war unless their standard of training is very high indeed."

Sir, whose fault is it?

**The Honourable Sir Jeremy Raisman:** Will the Honourable Member kindly go on to read the next sentence?

**Mr. Muhammad Azhar Ali:** I will, with the greatest pleasure.

**The Honourable Sir Jeremy Raisman:** Thank you.

**Mr. Muhammad Azhar Ali:** What I was referring to was your tale of woe saying that as regards the standard of training, though it is very high, still there was a paucity of officers. Now, whose fault is that? It is not our fault. We have been pressing it day in and day out—to create a big army in India for Indians themselves, but you don't do it. Then I shall refer to another paragraph with regard to the equipment.

"His Majesty's Government have recently agreed to a standing arrangement"—*mark these words*—"under which India will receive a substantial fixed proportion of the output of the United Kingdom" (paragraph 11, on p. 5). "As a result of this arrangement, steady supplies of all kinds of equipment unobtainable in India, such as guns, machine tools, optical instruments, wireless and other signalling apparatus and anti-gas equipment are now forthcoming. . . ." (paragraph 11, on p. 5).

Now, Sir, why was not this equipment started to be equipped in India from ages past, from a long time past, although Indians have been asking for all these things? These are the matters which I call to be tales of woe. I am glad that the Honourable the Finance Member has admitted the truism about past mistakes and which the Indians have been clamouring for for years past. I am glad, really, that these things are being attended to, but then if the Indians say that this was an opportunity for India and I say boldly that it will not be wrong for the Indians to say: "During the last Great War and even during this war you have had an opportunity for the increased production of certain things in India and the Government of India stand condemned for their inactions." Sir, it is said that the country's condition is very good. In what way? Of course the financial condition of the country could be very good but for the mistakes. I appeal to the Honourable Member who knows not anything about the legal profession in the country. What is the condition of the legal profession today? The condition is that the poor pleaders and advocates of the High Court are simply clamouring for work and money. They cannot get the money because the conditions have been so altered. It is not a matter of laughter. There are many of us here who have entered this profession and their children are in this profession and we know it for a fact that it has become very difficult for these men even to earn their bare livelihood. Those who are in the trade, those who are making money through the Supply Department and those who are carrying on the business with the Government may be able to make money, but that is not the case with the doctors and the legal

practitioners. I may inform the Government that it is very difficult for them even to eke out their livelihood.

**An Honourable Member:** What is the cause of it?

**Mr. Muhammad Azhar Ali:** The cause of it is that it is difficult to export these days and, therefore, business is very dull. Go to the markets in Delhi and other places and you will find that there is a great depression in trade except for those people who are dealing with the requirements of the war.

**An Honourable Member:** What is the solution?

**Mr. Muhammad Azhar Ali:** That is a pertinent question to ask—what should be the solution during the war? But I was recounting here the mistakes which were committed long before the war began. . . .

**Sir F. E. James** (Madras: European): Does my Honourable friend think for a moment that the war is being fought to make the world prosperous for lawyers?

**Mr. Muhammad Azhar Ali:** My only reply will be that the war is fought here only to make a few business people rich and I will congratulate the Honourable the Finance Member for having taxed these very people. In his present Budget he has with one shot struck two birds. It is these very people whom he has taxed because they will have to pay more in the shape of the excess profits tax and income-tax. We do not come in the picture in any way. What we say now is that during this war there ought to be a planned economic drive also and foreign competition ought to be stopped.

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

The tariff policy has also got to be regulated. During the war we ought to do something in order to give relief where it is needed. At the same time, we want finances from India and also materials from India to run the war and to win the war. But you ought to take into consideration the condition of Indians also. Sir, these are some of the ways and means that I have suggested.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member's time is up.

**Mr. M. S. Aney:** Sir, the cut motion before the House is to discuss the war finances. In introducing the motion before the House, my Honourable friend, Mr. Chapman-Mortimer, referred to many extraneous matters for which, I am sure, by this time he must be repenting. I think I am fortified in my assertion for this reason that he himself got up and raised a point of order and asked the Deputy President to say whether the observations made by a certain friend of mine in defence of the policy of the Congress Party were not irrelevant. The Deputy President ruled that he evoked all that criticism on account of certain irrelevant remarks that he himself has made in his speech in moving the motion. So, I am sure he must be thinking now that he should have made a better and a more discreet beginning of his speech, which otherwise was brilliant and illuminating. I do not want to enter into that discussion now. I think my friend, Mr. Kazmi, has given a very good and spirited reply in defence of the position taken by the friends on the Congress Benches, and so far as the Muslim League Party is concerned,

[Mr. M. S. Aney.]

my friend, Sir Ziauddin, has also explained the position and removed whatever doubt Mr. Chapman-Mortimer wanted to create by his insinuation. I do not want to enter into that question now, but it is true that you cannot discuss the question of war finance and the principle of war finance without reference to the state of public opinion towards the war at all. If war is a different state of things from the normal conditions of life, the difference lies in this. In the normal state of the country, schemes of reform and schemes of improvement which the State may have in contemplation can afford to wait and the need for finding money for them also can not be very urgent and the actual work can be spread over a longer period of time. But during the period of war the question of time becomes almost very important and urgent. It is a period of emergency and things have to be thought out and executed almost without any appreciable interval between the two state of things. That being the position, it requires a very strong public opinion behind the Government before that Government can think of carrying out and executing big schemes of improvement to win a war of the magnitude which they have to face today. Therefore, although, in a way, the issue with regard to the public opinion may be considered as irrelevant purely from the academic point of view so far as the discussion of war finance is concerned, it is not altogether so remote as some people imagine it to be. I have already made it clear that a strong body of public opinion determined to support the war is one of the essential conditions and one of the most essential principles to which the Government ought to give due attention if it wants to shoulder the responsibility of winning the war. From that point of view, I believe, some of the questions that were put to the Treasury Benches by my Honourable friend, Mr. Kazmi, and others are such as require to be more seriously considered and certainly they do not deserve to be laughed away and laughed out as some friends were trying to do.

Now, Sir, having said so much with regard to the requirements of a strong body of public opinion behind the Government, how can that public opinion be had? If the public opinion feels that there is a Government which is their own, there is no difficulty about it. But so long as the public opinion feels that there is a different Government and they are not in it, then an effort is necessary for the Government to make the people at least feel sincerely that though they are out today, they are not going to be out tomorrow. At least that much confidence you must be able to create in their minds. If for the sake of creating that confidence some kind of association and a more direct association of the people is needed in the work of administration, Government ought not to be reluctant to get it and take refuge behind this plea and that plea, to shirk it. They must bring together seemingly conflicting elements so that they may make a combined and supreme effort to win the war which is a matter of common interest for both Government and the people.

Sir, having said that I will take up the second question, namely, the so-called principles of war finance. I have listened to my Honourable friend, Mr. Chapman-Mortimer, very carefully and I thought that some principles would be clearly enunciated by him and I was trying to find out which part of his speech really referred to the principles as such. All that I could gather from his speech was that, on the whole, our finances are

being properly managed and they are in safe hands at present, that whatever relation there should be between raising finance by borrowing and by taxation that is being observed. What that relation should be he had not stated anywhere and I was not able to gather that even from the speech of the Finance Member also. But there is one common ground that whatever relation is fixed by him in his budget estimates, that is considered by Mr. Chapman-Mortimer as equitable and sound and probably the only proper thing that could be found. I take that conclusion as the result of being unable to find anything else than that. As a matter of fact the Finance Member himself was in this matter very candid. He said that it has nowhere been laid down as to what should be the proper relation between funds to be raised by way of loan and those to be raised by way of taxation in a period of emergency like a war. Perfectly true; there cannot be one common rule to guide all sorts of situations. It will have to depend on the conditions under which funds have to be raised. If the experience of a layman is to be of any value at all in a matter of this kind I venture to make a suggestion. What we generally find in the case of a man who is faced with a great difficulty and having to fight an insuperable difficulty is this. Whatever little money he has got with him he will save. Whatever little money he can get hold of from others he will get hold of; so that all that money may be pooled together to enable him to fight the particular danger with which he is faced. This is a period of difficulty and emergency. So whatever they can have by way of taxation they will have and wherever they can get money by way of loan or borrowings they will have it; and with that money they will have to make an effort. I do not regard a period of war as the time when a man thinks of his creditors. I think payment of creditors is a matter which a man generally postpones during time of difficulty. If there is anything peculiar in the present financial budget on which the Honourable the Finance Member has been given credit from all sides it is that he has managed to reduce substantially the burden of external debts in this War-budget. But I have been really puzzled as to whether this is really the time for us to give away our cash money to somebody and pay off our debts, instead of using the money that we have got and putting that in our own revenue to meet the emergency that confronts us. That is one point that strikes me as a layman. I am not a close student of economics or war finance either. I do not want to give any expert opinion on a question like this. If at this time we are paying off our own debtors seeing that we are going to have some other debtor who is advancing money at a lower rate of interest, no doubt we are making a profit. That is shown in the Budget and it is because of the reduced amount we have to pay by way of interest hereafter and now that the Finance Member is getting all the credit. But the point is that the amounts we are having to spend on account of the war have to be raised somewhere now and we have to face that situation. Therefore what I find is this that the question as regards the policy which the Finance Member has adopted and for which he has been given good credit is that he has taken advantage of a certain financial situation as it exists at present and tried to reduce our sterling debts and convert them into rupee debts in India and thereby helped to reduce the burden which the country has to bear by way of interest. But if the war goes on for a longer period would it not be necessary for us to borrow on a larger scale? Would it stop there? And if we are to borrow on a larger scale can we get any money in those markets and from those creditors who are paid off today? Are they in a position to advance any money tomorrow

[Mr. M. S. Aney.]

and shall we be driven back to borrow money only in this country by way of rupees? And what is the ultimate capacity of this country to finance big operations of war in case the war continues and our responsibilities increase?

I do not know whether all these questions have been thought over and a long-range view of things has been taken or not. What is the capacity of the Indian financiers to finance the war operations for a longer period and if those who are paid off by us today are not in a position to advance any debts to us tomorrow what will be our position I do not know. We have paid off our creditors in England and it is also stated in the speech of the Finance Member that by doing that we have in a way helped the war operations. I can understand that. In fact I have taken these operations as being mainly intended to mean that certain cash funds should be available to the people of England at this time so that they may use them for their immediate war purposes. This operation of conversion has really resulted in this benefit so far as the English people are concerned, but will it really go to give us greater credit for raising the necessary loans in England tomorrow if we want them? Are they in a position to meet the demand for loans from India tomorrow? Suppose Indian financiers for some reason or other, for political or other considerations, take up a different attitude, are you in a position to rely safely upon your credit to raise the necessary loan in England at all, or have you got any other financier in any other part of the world who can take the place of the English financiers whose debts you have paid off by conversion so that the liquid cash can be used by them for war purposes? I am putting that as a point that strikes me as a layman and not as a very considered opinion on that point. But reading the Budget frequently, and particularly the speech of my Honourable friend, the Finance Member, which really deserves more than one perusal, it has struck me that I should bring this particular doubt of mine to his notice. He may think over the matter for himself and I hope one day he will be able to remove the doubt by explaining to us in such a way as to indicate that there is no reason to entertain any doubts at all about this question. I do not want to take up more time of the House but I want to say that it is proper for us to concentrate our efforts in such a way as to bring about a kind of understanding in this country among the various schools of politicians and statesmen so that it may be possible for the Government and the people to make a combined effort to win this war which, as I have stated before, is a matter of common interest of the people as well as Government.

**The Honourable Sir Jeremy Raisman:** Sir, I am grateful to my Honourable friend, Mr. Aney, for putting his doubts before the House in regard to a transaction which was referred to in the speech of the Mover of this motion, and which has been very widely commented on and generally, as he rightly said, in very favourable terms; and I would like to endeavour now to answer the perplexities which seem to have beset him.

But first of all, I would like to say that I am very appreciative of the way in which the Mover of this motion has dealt with the financial position of India and I particularly appreciate the references which he made to my predecessors, because a position such as India occupies today is

not built up in a week or a month or a year: the soundness of Indian finance is so solidly founded that it could only have been achieved by careful husbanding over a very long period; and I am very glad to take this opportunity of paying my own meed of tribute to those who went before me and who did their work in this respect so thoroughly. It is a part of Indian finance which curiously enough is inconspicuous in the annual accounts as they are presented. It does not leap to the eye how exactly, from year to year, the general financial position of the country is being improved. The section of the budget speech which deals with the indices of that soundness, namely, the ways and means part, is one which in my experience is difficult for the layman to understand and one which he passes over rather rapidly. Nevertheless, it is only by careful study of that portion of the budget speech that the layman can find out how much better off India is in any particular year in regard to its long-term debt and its short-term debt and so on than it was a year before.

With these preliminary remarks, I would like to deal with the point which Mr. Aney just raised, and his point briefly was this: in time of war you want all the money you can lay hands on: why then do you take this opportunity to repay debts? Surely that puts you in a weaker position *prima facie* and, according to the ordinary layman's impression, this is not the time when you should be making spectacular repayments of debt: this is the time when you should be calling up all the resources which you have and devoting it to the purposes of the war. That, I think, was the natural and simple argument of my Honourable friend. Well, Sir, the reason why it is appropriate for India to do that now is this, India is selling large amounts of material and goods to His Majesty's Government and is being paid in return. Now, India can only be repaid by His Majesty's Government in the currency of His Majesty's Government, that is, sterling. So, we have this position, that India is acquiring large resources in a currency which is not the currency of this country. It makes no difference, however, much money India may want to spend on the war, unless she wants to make very large purchases overseas, these sterling resources are not directly available for the purpose of expenditure in India; and so what happens is if you want to utilise the money equivalent of these sterling resources you must raise in India rupee loans equal to the amount of that sterling. There is no getting away from that. You must borrow money inside the country, if you want to spend rupees and so what we have done is to apply that sterling—India has, so to speak, lent back or repaid loans to England and we are now faced with the raising of the rupees corresponding to that amount in India. It is perhaps a little difficult to make the position clear in elementary language; but the fact remains and the short answer to my Honourable friend is this: that except by a process of inflation, the use of those sterling resources would not be possible for internal purposes in India—it would not be possible to use that sterling except either to repay debt or to purchase goods from abroad or as what is called a credit base for a largely inflated currency in India, which is not desirable . . . .

**Sir H. P. Mody** (Bombay Millowners' Association: Indian Commerce): May I ask a question? Do I understand my Honourable friend to say that the same considerations would more or less apply in normal times if India had a very large favourable balance of trade?

**The Honourable Sir Jeremy Raisman:** Yes, Sir; the only thing that you can do with foreign exchange is either to buy foreign goods with it or repay foreign debt with it or use it as a credit base. You may see the same processes at work in the American economy—in their case it is gold, while in our case it is sterling or foreign exchange. The problem with which America is faced is that owing to their favourable balance of trade they receive large payments in gold and they do not know what to do with that gold. They could, if they wished to, buy large quantities of commodities abroad with it, or if they had any debt abroad they could pay it with that gold, or they could finally release the gold into their economy which would have a violently inflationary effect—it would mean that the amount of money let loose in the American system was far too much for the corresponding amount of goods and services which that money had to carry. I am afraid it is not possible to simplify the matter further. But my Honourable friend may take it that it is generally recognised that those are the only ways in which you can deal with your assets of foreign exchange.

Now, fortunately for us, an adjustment of the position is to hand in the fact that we do have a considerable amount of external debt; and entirely apart from the needs of the war, it is an adjustment which, so to speak, forces itself upon a country in the position of India, a country which has a considerable external debt and which finds itself piling up external assets. The question of the raising of loans, the raising of the rupees for carrying on the war, remains in any case. We have to do that, no matter what our sterling balances may be. But in dealing with this question of the deficit and of the amounts of taxation and also the amount of borrowing, whilst I appreciate the remarks made by various Honourable Members regarding my treatment of the deficit, I deprecate the feeling that this is what I may call a static problem. It must be regarded from a more dynamic point of view. I will explain what I mean.

My Honourable friend, Dr. Sir Ziauddin Ahmad, stated, you obviously have a fixed limit of taxable capacity, you cannot go beyond that, and if your expenditure is unlimited, if your expenditure gets larger, then your loans must increase accordingly. Well, Sir, that is not the way I would look at the matter. I would rather look at the matter this way. How does the deficit arise? It arises from Government's spending. Most of the Government's spending takes place in this country, so that the money that goes out of the treasury goes into private pockets. Well, Sir, not only is it the case that that amount of money is available in the form of taxable capacity somewhere, but it actually is the case that a much larger taxable capacity is created by that amount of Government expenditure. I will give a simple example. Supposing a man has an income of a lakh of rupees a year on which he pays income-tax. If he employs, say a private secretary and two clerks out of the same money which he pays them, they also pay income-tax, so that his income of a lakh of rupees a year is not the total income which is brought under taxation. Although he may receive that income from a single source, that income in turn goes on to take other forms, and the total income which may be created by the expenditure, which originally took the form of the payment to him of a lakh of rupees a year, may be a good deal larger than a lakh of rupees. So, as the expenditure of the Government increases, the national income

also increases. That is the important thing which must be borne in mind, and, therefore, if it were possible to devise an ideally perfect system of taxation, you ought to be able to recover for the treasury an ever growing sum as the treasury's expenditure increases, and that is in fact what happens; that is what is happening even in India. Of course, in India we have an imperfect tax system,—imperfect in several ways. It is not merely that there is a minimum below which incomes are not taxed, but also there is a whole field of taxation which is not subject to central income-tax,—I mean, of course, agricultural income,—and whatever income seeps away into that field ceases to be taxable at all, even though it may form large individual incomes. It ceases to be taxable by the central income-tax system. But that is the conception of the problem which I would prefer to substitute from that of a fixed tax limit and a growing expenditure. The position is that, as expenditure increases, the taxable capacity must be increased, although it may be a difficult fiscal problem to recover the share which you should . . . .

**Mr. M. S. Aney:** Resources increase with extravagance.

**The Honourable Sir Jeremy Raisman:** I was getting on to that point. There are three ways of dealing with the deficit. One is to raise taxation, the second is to raise loans, and the third is to do neither, in which case you have recourse to what is called inflation. You merely print more currency and pay with that. That is the least desirable and the most extravagant way of meeting a deficit, but it is one which countries in desperate emergency which have no other resource may have to resort to. That at any rate is a method which forms no part of our financial programme, and to that extent we may congratulate ourselves on the soundness of our position.

Well, Sir, to strike a little lighter note. I regret that my friend, Dr. Sir Ziauddin Ahmad, has still not revealed to me the mystery of the lion and the tiger. I find myself murmuring when I go to bed.

“Tiger tiger burning bright in the shadows of the night

But I cannot think what the tiger will be like.”

and I am looking forward with great exhilaration to the debate on the Finance Bill when the mystery of the lion and the tiger will at last be revealed to this House.

My friend, Mr. Azhar Ali, pursued a line of argument which I have heard pursued in many quarters, and which appears almost every day in the press regarding the past sins, as he called it, of the present Government. The argument seems to be that because you find yourself in the middle of a war and are not fully prepared in every respect, because you cannot make big guns, because you cannot make aeroplanes, because you cannot make tanks, that proves that you are a shockingly bad Government, you ought to be laying plans for this 10, 15 or 20 years ago. Well, Sir, I consider that that goes to the whole root of our moral position in this war. The point is that Hitler and his friends were doing this five or six years ago. It is quite obvious that if the British Empire were even as strong as they are today 18 months ago, the whole complexion of this war would have been a very different thing. But, unfortunately, we did not believe, and those in charge of the policy went on hoping that the aggressor did not mean what he appeared to mean, and that is a mistake

[Sir Jeremy Raisman.]

which lies on the shoulders of not one Government, but on many, and not one hundred or one thousand people, but probably many millions . . . .

**An Honourable Member:** Government in England was the . . . .

**The Honourable Sir Jeremy Raisman:** It was not merely Government, it was public opinion, it was the opinion of many millions of people that nothing should be done on our side to precipitate the outbreak of war, and so they allowed the aggressor to get his mechanical advantage, to get his technical advantage, and the problem has been how to catch up with him. But when you look at the moral issue you realise that it is very easy to get into the position of having been the *agent provocateur* or the provoker. If you are too quick to draw your sword, then you are liable to be charged with having drawn the sword first or to have been the man who started the quarrel. But now my friend was, I think, thinking not merely in terms of what I may call military equipment, but in terms of various other kinds of industry. Well, Sir, even in respect of those industries, I think it still remains the fact that we could not have been prepared to deal with the situation, such as it is today, unless our policy had been a bad peace time policy, because you cannot get away from the fact that what may be a good time policy is a bad peace time policy. A peace time policy which would have put us now in a position to meet the requirements of the country might not have been a good one; it would have been one which would have consisted in the subsidising of various means of highly uneconomic forms of production. It would have laid the cost of that subsidisation on the poorest, on every taxpayer and on every cultivator in this country. You cannot build up industries of that kind without paying very large sums, and even the cost of building up the industries, the protected industries of India, such as they are today, has been a very heavy one. In time of peace there is no offtake, there is no regular demand for many of the products of these heavy and highly expensive industries. The only way in which you can establish them is by Government being prepared or undertaking to consume their products and to pay high prices for them.

Mr. Tymms reminded the House yesterday that only a few years ago this House was not prepared to continue a very modest provision for Civil Aviation, that in the desire for retrenchment they cut out a very large part of the provision which had been made for the ground organisation without which you cannot even begin to think of aviation. Now, who in those days would have been prepared to guarantee that the Government of India would purchase, say, 200 aeroplanes a year? It is useless to attempt to transplant the atmosphere of the present time back into the peace years of some time ago, and it does remain true and it will happen again, that what is a good war time policy is a bad peace time policy. It is only a question of degree,—at what stage do you begin to go over from peace time policy to a war time policy? It is arguable, you should have seen what was coming, a little earlier, you should have begun to lay your plans and try and bring into being these industries somewhat earlier. But it cannot be argued that the omission to provide and pay for certain heavy industries which are now very badly in demand was necessarily a bad policy. Let it not be forgotten that the problem of carrying on with industries which are now being created will face this country and that the

cost of maintaining those industries will probably, to a large extent, fall on the taxpayer. We shall hear then what Mr. Azhar Ali and his friends have to say about the mistake of not providing for heavy industries. I gather too that Mr. Azhar Ali thought that this was a bad war for lawyers. I suppose it is a bad war for possibly other professions. Even the undertaker does not seem to be doing too well.

I have only one more point to make, and that is in regard to the question of prices and price level, touched on by Dr. Sir Ziauddin Ahmad and also by the Mover of this motion. I wish, as I am on my feet, to defend once more the Supply Department against a charge which is entirely unjustified. Dr. Sir Ziauddin Ahmad accused the Supply Department of raising the prices by 25 per cent. . . . .

**Dr. Sir Ziauddin Ahmad:** . . . . initiating.

**The Honourable Sir Jeremy Raisman:** . . . . initiating a rise in prices by 25 per cent.

**Mr. M. S. Aney:** The responsibility is now shouldered by the Commerce Department.

**The Honourable Sir Jeremy Raisman:** My Honourable colleague gallantly stepped into the breach and took part of the charge himself.

**Mr. M. S. Aney:** He stands self-condemned.

**The Honourable Sir Jeremy Raisman:** It is, of course, the case that every new demand, every additional demand on a limited supply tends to raise the prices, but I can assure my Honourable friend that the prices for the fixation of which the Supply Department is responsible have been very widely criticised, not on the ground that they are too high, but that they are too low.

**Dr. Sir Ziauddin Ahmad:** By whom? By contractors?

**The Honourable Sir Jeremy Raisman:** Another thing is this. One of the most striking tributes to the success of the Supply Department's activities is the modest estimates for excess Profits Tax. It is very directly related to the matter now under discussion. Had there been extravagance in the matter of supplies which there was in the last war, the kind of figures which I should have been dealing with in the Budget under that head could have been not twice or three times but ten times the size they are, because even in the last war when the industrial resources of this country were merely a fraction of what they are now, the figures reached were larger than those which appear to be likely to be reached this time. It is a very important index, that of the economy with which the war purchases are being made. That is really the best reply to any doubts about the maintenance of the price level and about the stability of prices.

**Mr. T. Chapman-Mortimer:** Sir, I beg leave of the House to withdraw the motion.

The motion was, by leave of the Assembly, withdrawn.

*Importance of Propaganda in India's War effort.*

**Mr. P. J. Griffiths** (Assam : European) : Sir, I beg to move :

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

Sir, on the comparatively infrequent occasions when I speak in this House, it generally falls to my lot to be embroiled in some bitter political controversy and to find myself forced into an attitude either of attack or at least of aggressive defence. But today, in initiating a discussion upon war propaganda, I can hope to escape from my usual fate, for with regard to the desirability and the objectives of our war propaganda, there can, I imagine, be no reasonable room for disagreement. I shall, indeed, have occasion to criticise Government with respect to some points, but my criticisms will concern, not matters of principle, but questions of the methods of propaganda adopted and the intensity with which those methods are applied, and the main purpose of my speech will be to make certain constructive suggestions with regard to the points of detail.

Before, Sir, I proceed to those detailed suggestions, I must make one criticism of a general nature. I for my part feel strongly that we in this country have not yet begun to treat propaganda with the seriousness which it deserves, and I feel that neither the Central Government nor any of the other Governments concerned have yet accepted propaganda as a vital weapon in modern warfare, a weapon second only to the defence forces. In order to put the picture before them as vividly as possible, I should like, in this connection, to remind them of the remarkable change that took place in the British attitude towards war propaganda between the years 1914 and 1918. I will remind them that at the beginning of the last war, propaganda was regarded in the main as the somewhat disreputable hobby horse of fanatics and cranks. But fortunately for Britain the fanatics and the cranks were persistent and it quickly began to be recognised that you cannot fight a modern war without the utmost possible use of propaganda. In the use of propaganda by Britain in the last war, there were three distinct phases. First, you had the phase where it was used to educate the people of Britain themselves, to prepare for a long drawn-out war—a people who were not psychologically prepared for the commencement of that war. I need not dwell on the results which were achieved by that phase of British war propaganda. In the second phase, which began at the end of 1914, that propaganda was directed towards America and it is today the considered view of many responsible American critics that but for the efficient application of that propaganda, America might well not have entered into the last war. Then came the third and last phase after Lord Northcliffe had taken charge of the Department concerned with propaganda. That helped to break down the German morale and to assist in the disintegration of the Austro-Hungarian Empire. By 1918, the position of propaganda, as one of the most important weapons of modern warfare, had been fully accepted in Britain.

**Mr. M. S. Aney** : Lying plays a good part.

**Mr. P. J. Griffiths** : There is a great difference. Those of us who are concerned with propaganda know that there is a great difference between propaganda and lying; propaganda may be lying, but is not necessarily so. Be that as it may, by the end of 1918, its value had been accepted. What I want to suggest is that as far as India is concerned, we are still to some extent in the same phase that Britain had reached in 1914. Government have made a start with their war propaganda, but it is only a

start, and if that propaganda is to be effective, the time has now come when it should be developed and intensified and financed on a scale beyond anything which has yet been dreamt of. You have your Board of Information at the Centre, and, if I may say so without presumption, that Board has done magnificent work under difficulties and under certain very grave restrictions. It suffers from financial restrictions. It suffers from a limited personnel and because of these limitations, I think it is true to say that so far Government has only scratched the surface with regard to propaganda in this country. My general appeal to Government today is to begin to take this propaganda business even more seriously and to realise that if propaganda is to be done at all, it has got to be financed on such a scale as to make it worth doing. To illustrate my statement that we still are not taking propaganda sufficiently seriously I should like to quote facts. The first is that there are still some provinces and some tracts in this country where practically no war propaganda whatsoever is being done, except that the very excellent press propaganda done by the Board is being carried on. As one travels round the country one is amazed by the variation in the vigour and in the standard of propaganda from province to province. I would illustrate that by the two provinces with which I happen to be connected. In Bengal, thanks very largely to the enthusiasm and the energy and the vigour of His Excellency the Governor, a good deal has been done and is being done, but in my own constituency of Assam, I am ashamed to say that practically nothing whatsoever has been done. Officialdom in Assam continues to go on living in its dreamy pre-war condition, hoping that somehow or other things will take care of themselves. I want to suggest that as long as there are in this great country tracts and provinces where propaganda is not being carried on, it is idle to say that we have yet begun to accept propaganda as a vital weapon in modern warfare.

The second ground on which I base my statement is that the amount that is being budgetted for propaganda is hopelessly inadequate to make any impression upon a country of about 400 million people. You will find that the figures specifically shown for war propaganda is about 11 lakhs of rupees but I think in fairness one should add to that somewhere about 3 lakhs, being the increase in the cost of the Information Bureau since the beginning of the war. Let us be generous on that point and call it 14 lakhs of rupees altogether. Measure that against any reasonable scale whatever. Measure it against the scale of commercial publicity as practised by big business houses and big propaganda organisations. Can anybody suggest that with 14 lakhs of rupees we can hope to make any real impression upon 400 millions of people? I myself am connected with a big business propaganda concern which spends considerably more than that every year in order to make people understand the virtue of one single commodity.

**An Honourable Member:** Tea?

**Mr. P. J. Griffiths:** If it is worth while—and we find that it is worth while—spending more than Rs. 20 lakhs to teach people to think correctly about one necessary article of diet, is it not worth while to spend more than that to do war propaganda and to teach people to think correctly about the war. I want to urge today that propaganda is one of those departments in which small scale expenditure may be wasteful. If you spend Rs. 100 to propagate a certain idea, you may produce no effect whatsoever. You will be simply throwing Rs. 100 away and it may prove that

[Mr. P. J. Griffiths.]

it pays you far better to spend twice the money and get some real value for it rather than to economise and get no value at all. I do therefore appeal to the Finance Member and to the Government as a whole to consider seriously the needs of the Department of Information, to consider whether greater provision cannot be made for putting this propaganda on a really worth-while scale. There are many directions in which work could be done if the money were available. For example, the department has recently worked out and obtained sanction for a most excellent system whereby pictures of the war and things connected with the army, navy and the air force will be exhibited all over the country. It is an excellent scheme but the scale on which it is being done is in my opinion only one-fourth of the scale on which it needs to be done. Naturally the scale on which it can be done is limited by the money which is provided. This is one of many ways and I do want to suggest that there are innumerable other ways of carrying out propaganda in this country which can be adopted if Government will recognise that money spent on propaganda is an investment, that it is not thrown away and that the investment will produce its own return.

After this general review, I pass on hastily to a few points of detail. It seems to me that propaganda, as carried out in this country, falls into four main departments, the cinema, broadcasting, the press, and propaganda through meetings. Let me take the cinema first. Cinema war propaganda consists of two lines of attack. Firstly news reels showing news and nothing else and secondly short propaganda films regarding war subjects, which in the uncouth jargon of the film world are commonly called propaganda "shorts". As far as news reels are concerned, they are handled in the vernacular by a commercial concern. The quality of the films is excellent but their distribution in some provinces is extremely poor. I personally took a census of 15 cinemas in Calcutta not very long ago—leading Indian cinemas—and found that in only one of these cinemas was a vernacular news reel being shown. I am not suggesting that Government is to blame for this, because the distribution is being done by a commercial concern. All I am stating is that something has got to be done to put more life behind that distribution and that that firm should be made to understand that if they cannot provide the necessary drive, it will be time for Government to come in and do it for them. When you turn to the other kind of propaganda "shorts" you find that they are handled by the Film Advisory Board. Here too the material is excellent. The quality of some of the films in the vernaculars is first class, but the trouble is that they take such an unconscionably long time to reach those parts of India in which these particular languages are spoken. I personally saw one such Bengali film on the 28th October last year.

**An Honourable Member:** Where?

**Mr. P. J. Griffiths:** In Calcutta. I saw it as soon as it was prepared, and, as far as I am aware, that film has not yet reached Calcutta for exhibition. At any rate it certainly had not reached Calcutta when I left there by the end of January. I want to suggest that distribution badly needs speeding up. I have been suggesting to Government for some time past—they may possibly consider the suggestion favourably—that they should

get over this difficulty by setting up an auxiliary Board in Calcutta, instead of relying on one distant Board in Bombay and that the auxiliary Board should take over directly the business of preparing Bengali versions of these films and also undertake the work of speedy distribution in Bengal. I have been thinking of Bengal, as being the Province with which I have been dealing lately, but I imagine that if a Board of that kind is set up it will be a sort of regional Board, and it seems likely to be the case that there may be other parts of India where similar regional Boards will be required. Regarding that, however, I am not competent to speak—but I do seriously suggest to the Government that they should recognize the fact that the distribution of these excellent forms of propaganda is at present being grossly delayed. The Film Advisory Board blames the distributors; the distributors blame the Film Advisory Boards and I am inclined to think that the Board's contention is right—but the fact is that we do not get the films! And I do urge that some organization of this kind should be set up to make it certain that we shall get the films and get them quickly.

Then I pass on hastily to the question of broadcasting. If I had spoken in this House six months ago, I should have found it very difficult to say very much creditable about our broadcasting from the point of view of war propaganda. I am however, not speaking of conditions six months ago but today and I am glad to say that in my humble opinion there has been a very remarkable improvement in the whole work of broadcasting with regard to the war during the past six months. In June and July last year, one turned on to the Delhi Hindustani broadcast and you heard someone with what seemed rather like an Oxford accent gone wrong, drearily intoning articles which might have been written for the newspapers. That day is past. There is very much more pep and drive in broadcasting now than there was then. The broadcasting authorities have recognised the necessity of contradicting the constant mis-statements made on the German wireless, and as a result, to-day in this country the wireless is an instrument of propaganda which has become really worth while. I think that the Director General of Information as the Controller of Broadcasting would be the first to admit that the change has been partly the result of the many discussions which they have had with non-officials, and particularly with those of us who have been concerned with war propaganda in various parts of the country. I would like to pay my tribute to them for the willingness they have shown to listen to criticism. We have written to them, we have had interviews with them, we have criticised them freely, sometimes even unfairly, but they have showed themselves ready to listen to criticism and ready to accept a different point of view, and as a result, they have succeeded in bringing about a very radical improvement.

**Sir Syed Raza Ali:** But excuse me, there is still a very great room for improvement.

**Mr. P. J. Griffiths:** I suggest that nothing we are doing in this country has reached the state of perfection; I agree with you entirely. But I am confident from the experience of the last three months that the improvement effected up to date will continue and that as a result of continued contact and criticism from everybody competent to criticise, further improvements will be effected. But the point which I want to make at this stage is that that improvement has been at least partly due to contact with officials and I want to lead up presently from that to the contention that it

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is important to associate non-officials rather more closely with the Information Bureau than has been the case up to now. But before I do that, there is one other side of the propaganda to which I must refer briefly and that is propaganda through public meetings—what may be called personal propaganda generally. That to me seems to be the weakest link in our chain of propaganda in this country; at present it is entirely a matter of chance. In a particular province where there happen to be a few enthusiasts and where the backing of someone in authority happens to be forthcoming, meetings and organized personal propaganda may be carried on more or less successfully but in other parts of the country, little or nothing is being done. For my own part I have always thought, Sir, that in the circumstances of this particular country propaganda through meetings and other forms of personal propaganda are in some ways more effective than any other form. That at least was my own experience as a district official, *viz.*, that it was possible through properly organised meetings to make an impression upon the public mind which could be made in no other way.

**Mr. M. S. Aney:** You may require a competent man for that.

**Mr. P. J. Griffiths:** Lots of men are forthcoming. For instance, there are Honourable Members sitting in this House. The cinema, after all, reaches a limited public; the newspapers are read by a limited public; broadcasting reach a still more limited public, but properly organized meetings through personal propaganda bring that propaganda home to the villages. That at present is not done in a sufficiently scientific, organized basis and I might suggest a reason for it. On the Information Board at present there is no one specifically charged with the job. You have your experts dealing with wireless, experts dealing with the cinema; you have your experts dealing with the Press, and I want to suggest that there ought to be a member on that Board specifically charged with the duty of organizing meetings and personal propaganda throughout the length and breadth of this land. I do not mean that he should control the details of the organization, but he would provide the inspiration, he would see that such propaganda was actually carried on in all Provinces and he would see too that there was some degree of coordination between the propaganda of the different Provinces in so far as it was concerned with meetings. My time is practically up and I must therefore hurry on to my last point, which is that there is a very strong case for non-official representation on the present Information Board. The Board at present consists of officials and journalists. I mean no discourtesy to those classes when I say that some other element besides the official element and the journalistic element is required. I would like to suggest briefly four reasons why non-officials should be associated with the Board. Very obviously, there ought to be some organic link between people doing propaganda and those controlling and directing it. That link has been to some extent provided by the constant contact which we have had with the Board and by the constant courtesy which the Board has shown, but I suggest an easier way. At present we write and make complaints when necessary—we do that every time the Director General comes to Calcutta or we come to Delhi—but instead of this we should have an organic link between those carrying on propaganda and the officer directing and controlling the propaganda, so that he can hear

our views without having to wait till all those views have been crystallised in the form of complaints and criticisms. The second reason why I suggest this is that Government must find propagandists somewhere. Propaganda in this country is still in its infancy and it is not easy to find people with propaganda experience, but on the whole you will probably find more non-officials than officials with propaganda experience—every politician for example has to be a propagandist to some extent—and quite apart from politicians, there are numerous people in this country with commercial publicity experience, and commercial publicity, after all, is another kind of propaganda. Surely, it is desirable to draw on that store-house of non-official propaganda experience in order to strengthen the Board which has started the work of propaganda in good earnest. To sum up, in the first place, you want more money, and that is the most urgent of all my appeals—although I make it to a much-harassed Finance Member with great diffidence; nevertheless I do appeal to him to consider whether more money may not be forthcoming. Secondly, I press the point that the Board should have upon it a member specifically concerned with the organization of meetings and personal propaganda. Thirdly, I press for some system of non-official representation on the Central Information Board.

Sir, I would conclude on this note: Whatever may be said for the purposes of debate, and however much for political reasons this aspect or that aspect of the war is concealed and cloaked, everyone of us here knows that this is India's War and India dare not lose this war. But to this day there are a very considerable number of people in this country who do not yet know that, and it is our business to see that they are taught it; it is our business so to conduct our propaganda operations that there shall not be a single person in this country who can be in any doubt as to the issues of the war or as to the fact that this war is one which India dare not lose: and because of this vital necessity I do appeal to the Government of India to do everything in their power to make this Propaganda Department into a first-class Department, suitably financed, suitably manned and pushed forward with all the energy which the Government of India can command. Sir, I move.

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

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

**The Honourable Sir Reginald Maxwell** (Home Member): Sir, I am obliged to intervene in this debate at an early stage although I should have willingly had an opportunity of hearing the views of other Members of the House, because the point of view from which I approach this motion is that I am only too anxious to learn in what respects our propaganda machinery is held not to be adequate with a view to introducing all the improvements which may seem to be practicable. Unfortunately, the time is short and, therefore, I am obliged to reply at once to the very interesting and stimulating speech which we have just heard from Mr. Griffiths. One point which I should make at the outset is that the propaganda for which we provide finance in the Central Budget is only the Central aspect of the question. What the provinces are actually spending on their side of the propaganda organisation I cannot inform him at this moment.

**Sir F. E. James**: They are spending practically nothing.

**The Honourable Sir Reginald Maxwell:** Propaganda is a provincial subject primarily and our duty at the Centre is, broadly speaking, to provide the provinces with the raw material which they can use in their own propaganda, so that to say that only eleven lakhs or so are being spent on war propaganda or publicity is understating the general nature of the publicity effort which is, in fact, being made.

**Sir F. E. James:** Might I ask the Honourable Member one question? Why is it that he suggests that propaganda in the provinces is entirely a matter for the Provincial Governments? Under what item in the Provincial List will that appear?

**The Honourable Sir Reginald Maxwell:** I think it is one of the items in the Provincial Legislative List in the Seventh Schedule. Certainly, there is no such item in the Central Legislative List.

**Mr. M. S. Aney:** Can war propaganda be a subject under that List?

**The Honourable Sir Reginald Maxwell:** Yes, Sir. The fact that the thing has a war aspect does not supersede the Legislative List. The Centre may be interested in the war as a whole and may like to carry on certain things but I think the Honourable Member will understand my point there. But I wish to continue my remarks. I had said, then, that we are now in this House debating the Central arrangements for publicity to a very large extent, although I realise, as the Honourable Member suggested, that the stimulus to provincial publicity must come very largely from the Centre. I thought I had answered that point by saying that the Centre does regard it as its duty as far as possible to supply the provinces with raw material. Actually, that stimulus has gone very far and I am aware that the provincial publicity organisations have responded very greatly since the beginning of the war to the additional tasks which they were asked to perform and now all the provinces have their publicity officers. Before the war, there were very few of them. They have now established local publicity committees and all the necessary organisations to convey to the people of their provinces the material which they may get either from the Centre or which they may provide themselves. That, of course, is on the general publicity policy. In certain matters, like the All-India Radio, the Centre themselves are responsible for the programmes that they provide.

**Maulana Zafar Ali Khan:** Could the Honourable Member also enlighten us as to the amount that is spent by the All-India Radio on this propaganda?

**The Honourable Sir Reginald Maxwell:** I shall refer to the All-India Radio in a minute. To come back to the Centre. I fully admit the criticism of the Honourable the Mover that up to the stage before this war the propaganda organisation belonging to the Centre was not such as could be called an adequate means of dealing with a new, urgent and very important system of propaganda such as the war demands. The fact of the matter is that it was not ordinarily conceived as the duty of the Centre to use its publicity machinery for purposes of propaganda. The machinery had not been constructed primarily for that purpose, and, in fact, this House has at no time been willing to provide funds for

propaganda in general. It is only when a purpose suddenly comes into existence, such as the emergency of a war, which unites all opinion in demanding that some public guidance should be given, that a machinery is created for that purpose. It was only then that the Centre could undertake the expansion necessary for this entirely new and uniting purpose which had come into being.

Well, at the beginning of the war, as I said, there was very little machinery for propaganda. The first thing that was done after the commencement of the war was to review all the existing machinery and means of propaganda very carefully and, finally, to build up a new organisation culminating in the existing Board of Information. The purpose of this Board was to control all the publicity of the Centre through all possible media, that is to say, through the press, through broadcasting and through films. For that purpose, then, a Board of Information was set up, and I think Honourable Members will agree that, apart from the defect pointed out by the Honourable Member, Mr. Griffiths, it is a very strong Board. It consists of the best experts we can get together in India and it is immediately responsible for such things as broadcasting, films and the press. It is an expert Board, but I agree that there is possibly room for more non-official representation on it or more consultation of non-official opinion. That is a suggestion which I am perfectly ready to take up. At the same time, I should wish the House not to under-rate the work which has already been done by this Board of Information. When I compare the publicity machinery of the Government of India with what existed before the war, I feel myself that this is one of the ways in which there has been the greatest expansion and one of the most admirable developments in all the things which have been done in connection with my Department, at any rate, during the war. This Board of Information meets weekly and I see the records of its proceedings; and I myself have always been extremely impressed by its readiness to take up and examine every suggestion that may have reached it from any quarter, including non-official quarters, because, after all, these people do not sit in isolation. Every suggestion which comes along is discussed thoroughly by persons who are to a large extent experts in their jobs and as soon as any decision is reached, immediate action is taken to carry that decision into effect. It is not possible here to catalogue all the results of these meetings of the Central Board of Information, but there is constant activity in the production of material which is useful for the provinces and which is, in fact, used to a very great extent by the provinces. I have not had a great many opportunities of seeing the work in the provinces myself but I have talked to some of their officers in charge of their publicity. Provinces of course vary to some extent in the enthusiasm with which they tackle the arrangements but in a province where proper importance is given to publicity very great use is made in the translation and quick distribution of material supplied by the Central Board of Information or by the Public Information Bureau.

Now, to come to more specific points. As regards the use of the cinema that, of course, is one of the things in which there was absolutely no machinery before the war. Everything that we have done has had to be created since the war and on ground which was not very responsive to it. It has to be remembered that no Publicity Board, neither the Government of India nor the Provincial Publicity Boards, can order cinema proprietors to show this or that. Everything that we get exhibited in the cinemas in the interest of war publicity has to be put on a commercial basis, otherwise the cinema proprietor will not show it. I suppose

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we have power under the Defence of India Rules to compel them to show this or that but I do not think it would be welcomed by the House as a whole, and, hitherto, it has not been our policy to proceed in that way in regard either to cinemas or any other publicity organisation. We wish for the co-operation of the ordinary agencies on which we rely for that kind of propaganda, and I am glad to say that in the case of films very great progress has been made starting, as the House must remember, from zero. Particularly in cinemas accustomed to showing Indian films there has been a considerable difficulty because films producing news-reels or shorts had to be provided with sound tracks in the Indian languages, and that was a thing which could not be done at once or easily. By commercial enterprise,—it is entirely commercial enterprise,—a weekly news-reel has now been provided in three languages, and the number of languages is shortly to be increased to four. And these news-reels are distributed through the ordinary commercial channels and are now shown, I am informed, in more than half the Indian cinemas; and demands for these news-reels are steadily growing.

**Mr. P. J. Griffiths:** Sir, on a point of information, has the Honourable Member got figures for the different provinces? My suggestion is that in some provinces they are hardly being shown at all.

**The Honourable Sir Reginald Maxwell:** I will take a note of that point. I cannot give the actual information as to the different provinces. I only have information that they are showing now in half the Indian cinemas and that of course may be in certain large centres.

Then, as regards production and distribution of documentary shorts, as the Honourable Member has recognised, the Film Advisory Board has been constituted for this purpose. This Board contains the representatives of the leading firms of producers and distributors of films in India. They are concerned with both production and distribution; and in addition to producing their own shorts the Advisory Board is undertaking the adaptation of shorts made in England and fitting them with sound tracks in the Indian languages. That is a very important and comparatively new development, and as members of this Advisory Board individually control most of the distributing circuits in India it is to be hoped that the efforts they are making will succeed in securing on a commercial basis a proper distribution of these films. I am informed that the Board is establishing its own agents at key points to see that these films are quickly exhibited and returned and are renovated when necessary. And as regards the non-theatrical exhibition of films, that is to say, those which would be used by the Provincial Publicity Organisations and not shown in cinemas, further arrangements are being made to help in the purchase of 85 or 16 mm. projectors for use where commercial cinemas have not yet penetrated; and the film advisory board are going to maintain a library of these films and supply them so far as means exist of exhibiting them.

As regards broadcasting there is not much which I need say because remarks of the Honourable the Mover have been mainly appreciative. I notice that he suggests that non-officials should be associated more closely than before, I take it, in regard to the programmes of broadcasting. I do not know if that was what the Honourable Member meant.

**Mr. P. J. Griffiths:** It had reference to the Board as a whole.

**The Honourable Sir Reginald Maxwell:** As regards broadcasting I think I have no particular criticisms to meet, but in developing from that the Honourable Member suggested that more attention should be given to propaganda by way of meetings addressed by speakers. I recognise that this is a thing which has not yet been taken up from the Centre although I believe that more attention has been given to it by Provincial Publicity Boards. My own experience of that kind of thing is that whatever scheme you may draw up you find considerable difficulty in getting enough speakers who are really qualified to put across the message you want. After all it is a matter of some importance.....

**Mr. M. S. Aney:** Sir, may I interrupt? I have seen that whenever Governors visit certain places the local war board arrange such public meetings, otherwise they do not. That is my experience in my province.

**The Honourable Sir Reginald Maxwell:** I do not know what province the Honourable Member is referring to.

**Mr. M. S. Aney:** I am referring to the Central Provinces and Berar.

**The Honourable Sir Reginald Maxwell:** I was saying that in regard to the distribution of propaganda by means of speakers at public meetings it is not a thing lightly to be entrusted to any one. If the Central Publicity Organisation or even the Provincial Publicity Organisation are going to make themselves responsible for the way in which a certain message reaches the public, you cannot give a *carte blanche* to anybody to go and talk. After all we are responsible and we must see that the right message reaches the people; and therefore, as I said, it is not an easy matter to cover the enormous area of this country and the enormous number of its population in the villages by a network of speakers addressing public meetings. Possibly more can be done by way of the radio and also, of course, by way of the press.

Not much has been said in the course of this debate about the press, but that is one of the areas to which the Central Government can give the greatest help. Already we had our organisation, that is to say, the Public Information Bureau, for assisting the press to obtain the material they wanted, and that Bureau since the beginning of the war has been expanded to a very great extent so as to cover the needs both of English publicity and publicity in Indian languages; and I might say here that I, personally, appreciate very much the contribution of the press in the scheme of war propaganda. Although in a debate of this kind more has to be said about incidentals, perhaps, and newer forms of propaganda, we must never forget that the press of India reaches a greater number of readers and listeners than anything that we have so far devised and their contribution to the war effort, their help in steadying the opinions of the public and making them understand the causes at stake and reassuring them in all times of emergency is very great and important; and as I say, I, personally, recognise this with the greatest appreciation of what they have hitherto done.

As I said, this motion is one, which standing in this place I cannot possibly feel in any way embarrassing to Government. We are not criticised for not having given value for the money spent, so much as for not

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having developed faster and spent more money. I have tried to show the House that in the beginning of the war we were not equipped with an organisation to do all the things that are now required. We found ourselves with only a nucleus organisation and we took steps immediately after the beginning of the war to build up something which would bring the whole field of publicity under proper control. But having done so, we still had to allow a certain amount of time for those efforts to take root. One cannot by a stroke of the pen create a complete and fully equipped publicity machine. We had only the main arteries; we had to open up the various veins with the object that our publicity might eventually trickle to the farthest corner of India. But it is a very great task if one considers the area which has to be covered and the large tracts which were up to that time completely unreachable. We still are not satisfied with the results got. I myself should be glad to see that our publicity was reaching every village in India, every corner in India. I am afraid we cannot say that at present. But I think that with the efforts which are being made, we have every hope of making our propaganda and our publicity so effective that by word of mouth or otherwise it will have a material effect on public opinion in this country. As regards the suggestions which the Honourable the Mover has made: his main suggestion was that more money should be spent. I think that, as schemes come forward which are shown to be really necessary and are going to help our main propaganda effort, probably the Government of India will be only too glad to give funds which are really necessary. As regards having a Member of the Information Board to deal with matters of oral propaganda, that is a suggestion which I shall certainly consider, and I think it is quite possible that with the addition of such a member some advance can be made in that direction; and as regards non-official representation on the Information Board, that is a suggestion which has come newly out of this debate and I am fully prepared to take it up.

That, I think, is all that I need say, except to thank the Honourable Member who moved this motion for giving us his advice and experience and in such a stimulating way.

**Mr. President** (The Honourable Sir Abdur Rahim): Does the Honourable Member wish the Chair to put the motion to vote?

**Mr. P. J. Griffiths**: Sir, I ask for leave of the House to withdraw my motion.

The motion was, by leave of the Assembly, withdrawn.

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**Mr. President** (The Honourable Sir Abdur Rahim): As regards next Monday, the Chair has to inform Honourable Members that in the afternoon the unattached Members, the Chair understands, have agreed among themselves to move the motions that stand in their names in the following order: No. 8 on the Final List, No. 13 on the Final List, No. 38 on the Final List, and No. 54 on the Final List.

The Assembly then adjourned till Eleven of the Clock on Monday, the 10th March, 1941.