

13th March 1942

# THE LEGISLATIVE ASSEMBLY DEBATES

## Official Report

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### Volume II, 1942

*(11th March to 2nd April, 1942)*

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## FIFTEENTH SESSION OF THE FIFTH LEGISLATIVE ASSEMBLY, 1942



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# LEGISLATIVE ASSEMBLY.

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Mr. JAMNADAS M. MEHTA, M.L.A.

Sir ABDUL HALIM GHUZNAVI, M.L.A.

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

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# LEGISLATIVE ASSEMBLY

Friday, 13th March, 1942

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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.

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## STARRED QUESTIONS AND ANSWERS.

### (a) ORAL ANSWERS.

#### WOMEN EMPLOYEES IN THE DEFENCE DEPARTMENT AND THE GENERAL HEADQUARTERS.

†184. \*Sardar Sant Singh: (a) Will the Defence Secretary please state the number of Anglo-Indian and European and Indian women employed in the various branches of the Defence Department and the General Headquarters? What duties are given them and what emoluments do they draw including various allowances?

(b) Have they signed any agreement that they are willing to serve overseas? If so, will he place a copy of such agreement on the table of the House?

(c) Who are messenger girls? What are their qualifications, the duties they perform, and emoluments paid to them?

(d) Have Government considered whether all these duties could be performed by Indian educated young men?

**Sir Gurnath Bewoor:** (a) The total number of women employed in all the Branches of the Defence Department, including General Headquarters, is at present 434, of whom 297 are Europeans, 123 are Anglo-Indians and 14 are Indians. They are employed on ministerial duties, such as typing, stenography, dealing with files, supervision of sections and Cipher duties. They receive pay which varies according to the nature and responsibility of the post, and they draw the winter allowance if working in Simla during winter and the Delhi Moving and the Delhi Compensatory House rent allow-

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

ances if working in Delhi, stenographers' allowance and recorders' allowance if working as such, and in the Cipher section night duty allowance if required to perform duties between 9 p.m. and 9 a.m.

(b) The reply to the first part is in the negative. The second part does not arise.

(c) There are no women employed as messenger girls. The latter part does not arise.

(d) Yes.

#### GOVERNMENT MONEY SPENT ON ESCORTING OF JEDDA PILGRIMS.

**185. \*Mr. Ananga Mohan Dam:** Will the Defence Secretary be pleased to state the amount spent by Government in escorting pilgrims to and back from Jedda?

**Sir Gurnath Bewoor:** As the escorts for pilgrim ships were part of the general naval arrangements for the protection of shipping, no expenditure was incurred by the Government of India.

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#### STATEMENTS LAID ON THE TABLE.

*Information promised in reply to starred question No. 10 asked by Qazi Muhammad Ahmad Kazmi on the 11th February, 1942.*

#### EXAMINATION AND INTERVIEW OF SPECIAL CLASS APPRENTICES AT JAMALPUR.

(a) Yes.

(b) Yes. The marks obtained at interviews are treated as being similar to Confidential Reports.

(c) The marks allotted at interviews are recorded as percentages of a possible 100 and are not allocated to subjects.

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*Information promised in reply to parts (a) to (h) and (l) of unstarred question No. 5 and unstarred question No. 7 asked by Maulvi Syed Murtusa Sahib Bahadur on the 11th February, 1942.*

#### HARDWAR RAILWAY TICKET FRAUD CASE.

No. 5.—(a) to (g) The Railway Administration incurred a total expenditure of Rs. 28,098-11-0. Rs. 27,048 was paid to counsel and Rs. 7-3-0 was spent in respect of residences for them.

(h) No. The senior counsel was engaged by the Railway Administration after reference to the Police Officer concerned with the prosecution of the case in the Magistrate's Court. The junior counsel was the Railway Pleader at Moradabad.

(1) There was consultation regarding payment to the junior counsel; as he was a Government pleader for civil as well as railway departments. There was no consultation regarding payment to the senior counsel as he was a private pleader and the fee was a matter for negotiation.

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#### REMOVALS FROM SERVICE OF EAST INDIAN RAILWAY EMPLOYEES IN FURTHERANCE OF WAR EFFORTS.

No. 7.—(a) and (b). No.

(c) Information regarding the number of men discharged is not readily available, and in view especially of the pressure on the staff of this railway it is not proposed to undertake the research necessary to obtain it. But there is no reason for believing that it is above normal.

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*Information promised in reply to parts (a), (b), (c), (f) and (g) of unstarred question No. 16 asked by Qazi Muhammad Ahmad Kazmi on the 16th February, 1942.*

#### GUARDS DISCHARGED FOR PHYSICAL UNFITNESS IN LUCKNOW DIVISION, EAST INDIAN RAILWAY.

(a) No, the letter quoted was addressed only to one individual.

(b) The medical report on the guard in question did not suggest any reason for deferring action against him.

(c) No information is available on this point.

(f) Government do not propose to interfere in the case of this individual as the matter lies within the competence of the General Manager, to whom a copy of this reply is being sent.

(g) The replies to the previous parts give the information available with Government.

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*Information promised in reply to unstarred question No. 24 asked by Mr. Lalchand Navalrai on the 19th February, 1942.*

#### RELIEVING STAFF OF CERTAIN CATEGORIES ON NORTH WESTERN RAILWAY.

(a) and (b). The attached statement gives the required information.

(c) Where staff available fell short of requirements, steps taken to bridge the gap included the re-engagement of retired staff and the training of staff locally in addition to speeding up the training in the Walton Training School. Figures available do not show any serious shortage; but it has been necessary to curtail leave to some Commercial staff in view of the large increase in traffic.

Serial No.	Category of staff.	Delhi Division.			Ferozepore Division.			Karachi Division.		
		Existing sanctioned per-centage of relieving staff.	Actual percentage on 1-9-40.	Actual percentage on 1-9-41.	Existing sanctioned per-centage of relieving staff.	Actual percentage on 1-9-40.	Actual percentage on 1-9-41.	Existing sanctioned per-centage of relieving staff.	Actual percentage on 1-9-40.	Actual percentage on 1-9-41.
1	Station Masters Grade I, II & III.	25%	24.5%	21.7%	25%	20%	19%	33%	33%	33%
2	Assistant Station Masters, Grade ordinary, I & II.				25%	27%	28%			
3	Ticket Collectors & Trains Clerks.	15%	15%	15%	15%	12%	22%	15%	18% for Asstt. Station Masters, Grade ordinary.	8% for Trains Clerks & 13% Ticket Collectors.
4	Booking Clerks, Parcel Clerks and Goods Clerks.	15%	15%	15%	15% for Booking & Parcel Clerks & 10% for Goods Clerks.	15% for Booking & Parcel Clerks & 10% for Goods Clerks.	15% for Booking & Parcel Clerks & 10% for Goods Clerks.	11%	10.5%	10%
5	Guards, Grade II, III and IV.	15%	15%	15%	21%	21%	21%	10%	10%	10%.

NOTE.—1. The figures shown in the columns "actual percentages on 1-9-40 and ascertained.

2. The Divisional Superintendents have powers to fix the strength of relieving exceeded thereby. The absence of uniformity in the percentages is due to School for training and refresher courses, special fairs, breaches and rush of

Lahore Division.			Multan Division.			Quetta Division.			Rawalpindi Division.		
Existing sanctioned percentage of relieving staff.	Actual percentage on 1-9-40.	Actual percentage on 1-9-41.	Existing sanctioned percentage of relieving staff.	Actual percentage on 1-9-40.	Actual percentage on 1-9-41.	Existing sanctioned percentage of relieving staff.	Actual percentage on 1-9-40.	Actual percentage on 1-9-41.	Existing sanctioned percentage of relieving staff.	Actual percentage on 1-9-40.	Actual percentage on 1-9-41.
20%	17%	20%	25%	25%	15%	25%	25%	25%	20%	18%	16%
20% for A. S. Ms., Gr. I & II and 25% for A. S. Ms. Gr. ordy.	25%	25%	25%	25%	21%						
15%	15%	12.5 %	15%	15%	15%	11%	11%	11%	10%	10%	8%
15% for Booking & Parcel Clerks & 10% for Goods Clerks.	14%	12%	15%	13%	15%	20%	20%	20%	15% for Booking & Parcel Clerks & 10% for Goods Clerks.		
25%	23%	22%	25%	23%	20%	Leave reserve is included on the total sanctioned strength which is 42.			10%	10%	10%
									9% for Booking & Parcel Clerks & 7% for Goods Clerks.		
									6% for Booking & Parcel Clerks & 4% for Goods Clerks.		

1-9-41") are approximate figures on these dates as could possibly be

staff to meet the special needs of their divisions provided the budget allotment is not the fact that there are other factors, such as attendance in the Walton Training traffic in addition to leave influencing the amount of absence during the year.

THE INDIAN FINANCE BILL—contd.

**Mr. President** (The Honourable Sir Abdur Rahim) The House will now resume consideration of the Indian Finance Bill.

**Mr. Jamnadas M. Mehta** (Bombay Central Division: Non-Muhammadan Rural): Sir, the second point which I wish to take up is a widespread complaint that revenues are under-estimated and expenditure is over-estimated. It is particularly so in respect of various kinds of taxes on income, and on the ground that there would be a certain deficit, new taxation is imposed which is found to be unjustified by the course of events. When the actual revenues are found to go beyond what was estimated the new taxation levied on the basis of a prospective deficit is not remitted. On the contrary, as in the case of Railways, when there is a thirty crores of surplus, rates and fares are increased. It would be always improper to under-estimate revenues, although over-estimating is equally bad, but when that under-estimating is made the basis of fresh taxation and that fresh taxation is not justified by the course of events it requires careful consideration.

Thirdly, apart from the complaints of the heaviness of income-tax, there are many complaints by assesseees of harsh administration. We had a long discussion in the course of this Session, therefore, I will only request the Honourable the Finance Member to tax what and when it is really necessary and justified to do so but the administration must be just and humane, and any real complaint on the part of an assessee—whether he is a capitalist or otherwise—should be reasonably responded to and relief given.

One particular point has cropped up during the last few weeks as a result of events in the Far East. Many Indian firms have business dealings in Malaya and other parts of the countries which are now over-run. They have not got the account books; their monies and their possessions have been robbed; they do not know even the whereabouts of their agents, and they are now called upon, either to be assessed to a certain amount or to pay the assessment on the basis of previous years. I have seen quite a number of complaints that Government are not sympathetic in dealing with men who have been stricken with adversity on account of the events in the Far East; I suggest that every consideration should be shown to these countrymen of ours who are today stranded and do not even know whether they have anything left, after the millions which once belonged to them. I would, therefore, appeal to the Finance Member to take a very broad and sympathetic view of these people's difficulties.

Another complaint about the income-tax is that there are innumerable cases under assessment, where even the approximate amount which is likely to be received from them is not indicated anywhere; there is a feeling in certain quarters that this sum, which is not assessed or where the assessment work is in arrears, amounts not to a few lakhs, but, as one Honourable Member of the Council of State has assessed it, to fifty crores of rupees. I cannot vouch for that but this is how it has been assessed by one member of the Council of State.

**Dr. Sir Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): Very alluring to the Finance Member.



**Mr. Jamnadas M. Mehta:** And he is a very successful businessman. He thinks that Government should not only take steps to recover it as quickly as possible but that on the basis of that concealed result they should be careful about the new taxes.

**The Honourable Sir Jeremy Raisman (Finance Member):** That is the object.

**Mr. Jamnadas M. Mehta:** But if the object is reasonable I think we might heed it. I do not vouch for the figure but it really appears that a great deal of assessment is not made, not merely for one or two years but for several years past. Whatever justification there may be in this complaint, it is worth paying attention to

I shall now pass on to some other grievances of the public. One has been reported to me by Mr. A. V. Thakar who is a great social worker, and he writes to me to say that in Neemuch Cantonment there was a Municipal Board which was wholly nominated. Neemuch has now been abandoned as a Cantonment, and still there is no elected Municipal Board, and as that is within the Government of India's jurisdiction this point might be looked into.

There is a gentleman called Rao Bahadur Joshi who has invented what is called Phonetic Telegraphy which renders it possible to send telegrams in our own language. Large masses of the people of this country are unable to read or understand English and if Rao Bahadur Joshi's Phonetic Telegraphy is really useful, it should be looked into. He gave me an exhibition and particulars in Poona some months ago and I could see that it was working very well. I wish, therefore, to invite the attention of the Department concerned to proper justice being done to Rao Bahadur Joshi.

I will not go at any great length on the question of the increase in the customs duties on the kerosene oil or bringing under income-tax people who are today immune from it. I will once more plead with the Honourable the Finance Member that the people who earn this income are not many. They are largely collected in capital towns like Bombay, Calcutta or other industrial and big places; and I beg him not to imagine that the people who get Rs. 2,000 there are well off. In winding up the general discussion on the budget, he was inclined to think that a man earning Rs. 2,000 was rich. Probably, in the small villages and the smaller district towns a man with an income of Rs. 2,000 is not badly off; but the largest number of people who earn this income are not in these places, they are in big capital towns like Bombay, where the rents are higher than rents in London and where the cost of living is too much, even for the Rs. 2,000 annual income. They are lucky if they can save anything for their funeral; but barring that, their savings are virtually nil. A man with Rs. 150 a month in Bombay is a pauper for all purposes. He is generally in debt, he cannot even educate his children, he cannot make both ends meet. Therefore, I beg of the Finance Member, whatever his views may be on the savings campaign, not to include these people earning up to Rs. 2,000 in his scheme of taxation. Even in ordinary times they are badly off; but when the price level is going up, according to his own book, from 180 at least to 155 highest, the purchasing power of this Rs. 2,000 is reduced to somewhere near Rs. 1,200; and, therefore, whatever may be the nominal

[Mr. Jamnadas M. Mehta.]

figure of their income, its purchasing power has gone down and if at anything, they deserve more sympathy than extortion. While, therefore, reserving my remarks at a later stage of the Finance Bill, I would request him, even at this stage, to consider that theirs is a case which deserves very sympathetic consideration.

Referring to the labour conditions in this country, I had my say more than once, and I do not want to amplify my observations at any great length. But one thing remains, which I would urge the Labour Department to keep in mind. Whenever there is a rise in the cost of living, let them sympathetically inquire, without waste of time, and take into consideration the rising price level; and while I do not want anything which can be said to amount to luxury, I do want, without any qualification, that the present scanty purchasing power of the working classes shall not be reduced. The idea of purchasing power having grown in this country is true, but only in part. It cannot be considered separately, unless the cost of living also is taken into account; and there I have been at issue with the Honourable the Finance Member, because I know that the hardships of the poor workers are very great today. Coupled with the food shortage and the rise in prices these hardships are growing day after day; and, at a time when of all the people in the country, the soldier and the worker are giving their lives—others are giving their blessings—but these people are giving their lives—anything that will deteriorate their low standard of living should be most religiously avoided; I fear it is there that the Honourable the Finance Member has not taken into account the circumstances of the case. The cost of living in India is admittedly high and the danger of inflation is only partial. I know that a large amount of purchasing power, which cannot be used in this country, has come into existence since the outbreak of the war; but let him also remember that it is not so great as it looks, even in the returns of the Reserve Bank. I will ask him also to remember that the rupee coin in circulation has gone into hiding; on account of the panic which sometimes grows into great proportions and which is likely to grow, the rupee coin itself is going out of circulation; hoardings are very natural and some of the biggest of us are not free from it. I am told that coin is going into Indian States wherever the people of Bombay can take it. The people, therefore, are not supplied with that volume of circulation which is too much in excess. It was said at one time that the rupee coin in circulation amounted to more than Rs. 300 crores. I beg the Honourable Member to take it that about half has disappeared from circulation, that people are becoming cheque-minded and currency-note minded. Therefore, the volume of circulation, as a whole, cannot be said to be unduly excessive; moreover, the purchasing power in the country in general might increase without increasing the purchasing power of the workers. The fact that Sir Victor Sassoon has got two crores more—I am simply taking his name as he is one of the biggest multi-millionaires in the country—or Sir Cowasji Jehangir, for example, has got two crores more and their purchasing power has grown does not at all prove that the purchasing power in the hands of the poor people has grown; the millions of my neighbours do not enter into my budget if my own purchasing power still remains low, and is now subjected to the rising price level and the rise in taxation. Therefore, in all earnestness, I beg of him to keep these things in mind when deciding finally the question of additional taxation.

One or two things more before I turn to the present situation. Several lakhs of our people are now serving both in factories and workshops or in other war work. I beg of the Government to consider their claims to gratuity. The gratuities are not paid until the man retires—whether retirement is compulsory on account of war conditions or whether it is retirement in due course from this life while doing war work it entitles the families of those deceased employees of Government to fair consideration.

Another point which seems to worry the public is a statement of the Honourable the Finance Member about which there is nothing to fear; it is feared that the Rs. 400 crores to which he made reference is not a gift but merely the amount which is being spent in India on account of British War expenditure. It is not a gift to India; it is spent in this country for war purposes of the British Government and their allies. We pay for every rupee that we need for our war purposes and no gift is made out of the 400 crores for our war purposes; the impression is that it was sought to be impressed upon the public that the British Government was making a gift of Rs. 400 crores to this country, which I am sure is not the case.

**The Honourable Sir Jeremy Raisman:** That is not what I said. I only said that a good deal of this expenditure assisted towards the defences of India.

**Mr. Jamnadas M. Mehta:** That is how I read it but a different impression somehow or other is created in the public mind. I am trying to dispel it, and my Honourable friend's authoritative voice will make it clear that not one rupee out of this is a gift . . . .

**The Honourable Sir Jeremy Raisman:** That is not strictly correct. What I did say was that by far the greater part of this amount represents expenditure connected with the maintenance operations engaged in operations overseas, which vitally concern India's security against external aggression. I also pointed out that in addition His Majesty's Government provide us free with certain kinds of equipment.

**Mr. Jamnadas M. Mehta:** I am fully satisfied, but many people in this House and outside have got a different impression, and, therefore . . . .

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): May I ask, Sir, out of the 400 crores, how much is spent by foreign countries for making purchases in this country?

**The Honourable Sir Jeremy Raisman:** I am not prepared to give details of all this expenditure completely, because details are not given even to the British Parliament, but I tried to give an idea of the proportion in the language I used. I said more than one half of the total, relates to the acquisition and storage in India of stores of all kinds intended for the initial equipment and maintenance of such forces. A relatively small portion of this amount consists of expenditure unconnected with the defence of India, and that is the kind of thing to which my friend refers.

**Mr. Jamnadas M. Mehta:** I will not pursue this matter further, because those who will read the Honourable Member's speeches will

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not draw that impression, but the impression unfortunately remains, and, therefore, I have referred to it today.

Then, Sir, regarding the Simla exodus, I understand it is stopped this year, and while partly some Departments may still go up, what I beg of the Government to remember is this. The people who are sent there in these times of mounting prices should be granted sufficient allowance to carry them through. I understand that the postal and other clerks who are going there and also some others are not liberally paid in proportion to the cost of living. Sir, it will cause them a great deal of hardship if, while they are sent away to a cool climate, they will also have the cold comfort that they will starve there.

Lastly, Sir, I would advert to the huge balances which remain in London. It is a curious commentary on the Reserve Bank of India's organization that 70 per cent of India's balances—in order that there may not be any misunderstanding I shall quote the actual figure . . . . .

**The Honourable Sir Jeremy Raisman:** At the present moment it is just under 60—it is 59 point something.

**Mr. Jamnadas M. Mehta:** It used to be 70 per cent of the currency and banking reserves of the Reserve Bank. If it is reduced now, I accept the latest. But what do you think of the Central Bank of a country which under the operation of the Act makes it possible that 60 to 70 per cent of its national reserves are outside its own frontiers . . . . .

**The Honourable Sir Jeremy Raisman:** There is one important point on which I must correct the Honourable Member. The gold which is a large part of that percentage is not outside India's frontiers.

**Mr. Jamnadas M. Mehta:** I am talking of the sterling reserves.

**The Honourable Sir Jeremy Raisman:** Then that does not amount to so high a percentage.

**Mr. Jamnadas M. Mehta:** I have not taken any figures deliberately. I have just selected the weekly return casually, and I find that on the 17th February we had a total currency reserve of 375 crores total, and the banking assets of 73 crores, which makes the total assets of the Bank, both of Issue Department and the Banking Department, at 450 crores, out of 258 sterling securities and 45 balance reserves abroad made something like 315 crores out of 450. Now, Sir, if it is not 70 per cent, I should like to know what it is, and I beg to ask whether you can think of any country whose Central Bank keeps 75 per cent of its assets outside its own country? What would be the value of such a bank? At any rate, the value of that Bank in co-ordinating the currency and credit policy of this country, as assisting the financial development of this country, must be considerably discounted by the huge balances abroad which have been made at that high level for a long long time.

Sir, we used to charge the Secretary of State in the pre-Reserve Bank days of manipulating Indian currency, of keeping Indian reserves abroad. Under the Reserve Bank for the last seven years, our fate has not been much better, and the one great object for which the Reserve Bank was

started—namely, the development of Internal Bills, and here even a beginning has not been made. Look at any side—whether of the Banking Department or of the Issue Department under the head Bills purchased and discounted—Internal—Nil; external—nil. Then under the Issue Department Internal Bills of Exchange and other commercial papers—nil. If there was one object which was iterated and reiterated as the object of starting a Reserve Bank, it was to develop these Bills, —not a rupee there—and 70 rupees out of 100 rupees is all outside. It is a forced loan at  $\frac{1}{2}$  per cent.

**Seth Haji Sir Abdoola Haroon** (Sind: Muhammadan Rural): How can they bring this back when the import was restricted?

**Mr. Jamnadas M. Mehta:** By purchasing gold. I am giving just a casual suggestion. I am not saying that there are not other methods. What I do say is that while the Inland Bill market is not at all developed, you have 70 per cent of your assets in England perhaps earning interest at  $\frac{1}{2}$  per cent, while we on our loan pay 3 per cent and 4 per cent. That kind of thing does not give us any hope that the purposes for which the Reserve Bank was started will be fulfilled.

Then again, Sir, with regard to agricultural finance, all that has been done by the Reserve Bank is to issue some bulletins and on the whole throw cold water on the hopes of the peasant. All sorts of objections are taken. The indigenous Banker must change his ways. It is possible to bring him within the orbit of the Reserve Bank. Some kind of objection or other is always there. While a special Department exists, agricultural financing has still not been brought to any state of practical politics even after the establishment of the Reserve Bank nearly seven years ago. One thing more I should like to say, and it is this, that the help which the Reserve Bank gives to other Scheduled Banks in the matter of remittances, between various cities in India, is still very meagre. Its counter-part, the Imperial Bank, which acts in the districts, will not give you any assistance. On the contrary, it does not even give loans against municipal debentures which are as good a Government security as any other; no municipal loans can be issued without the sanction of the Government. And yet, there are cases where the Imperial Bank has refused to give loans on the securities of municipalities which are sanctioned by the Government. Not only that, Sir. On the Land Mortgage Banks debentures whose capital and interest are both guaranteed by the Government, the Imperial Bank has refused advances. This I brought to the notice of the Government of Bombay.

Sir, I have several grievances but I have already done what justice I could do to these various considerations and now I will wind up my submissions by an appeal about the present war situation. I said yesterday, that the present position fills me with indescribable sadness. While the tread of the enemy soldier is heard at the gates of India, while the thud of an enemy gun may be heard in India, while the roaring of the enemy aeroplanes may deal death and disaster to many, the situation in this country remains extraordinarily bad. There is no oneness of mind and oneness of purpose which alone can save us from the impending disaster. My speech is going to be an appeal. I recognise there is no time for recrimination. I shall not speak one harsh word to

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any section of the community. It is very attractive in indulging in a powerful denunciation of the British Government today. Everything that the Indian nationalists have been saying for the last 60 years and more can be proved correct to the hilt. Our economic exploitation, our political humiliation, our racial degradation abroad, not to say of a thousand and one other things, are all present in my mind. But I will be the last man to allow all those happenings to interfere with the war effort of this country. On the contrary, I am in favour of hushing up all controversies and here I appeal to the Benches present in this House first, and I shall begin my appeal by addressing the Muslim League Benches first. I am sorry that while the paucity of Muslims in public services may be great, the paucity of Muslim Members on the Muslim League Benches is greater still.

**Dr. Sir Ziauddin Ahmad:** We are here to hear you all right.

**Mr. Jamnadas M. Mehta:** I am sorry that the paucity of my comrades of the Muslim League Party is still greater. I wish to tell them that the time has arrived when you must bury the hatchet of all kinds. It is not for the first time that the Hindus and the Mussalmans will work together and the racial and religious distinctions shall not interfere with our duty to our country, our homes and our families. Every part of this country is threatened with desolation. This threat to our homes and to our country should draw us nearer and I am sure will draw us nearer. And it is not for the first time that we have been drawn together at such a calamity and no racial limitations have come in our way in the past. When Nadir Shah sacked the City of Delhi in 1739, he made no distinction between Hindus and Muslims. While the solidarity of Islam might be maintained and may be maintained, the blood of Hindus and Muslims alike flowed in this Imperial Capital of Delhi when Nadir Shah, a Muslim, sacked the Hindus and Muslims alike. When Ahmad Shah Abdali invaded India later on, some 20 years later, the Hindus and Muslims combined to drive him out and the Mughal Emperor called the assistance of the Mahratta against the Muslim invader. Though we could not succeed, we at least battered him enough and he never returned. Even in these unhappy days that we are living in, the Hindus and Muslims do have friendship which transcends all religious distinctions. I am glad to confess that one of the greatest friends of my father was a Muslim and I am very glad to admit that one of my greatest friends is today a Muslim. But for him, it would not have been possible for me to do much of the public work that I am doing.

**Seth Haji Sir Abdoola Haroon:** In those days there was no democracy.

**Mr. Jamnadas M. Mehta:** Today we are concerned with the question of safety. I beg of you to remember that what our forefathers did and what most of us are still doing may be done on a common platform and not by recriminations . . . . .

**Seth Haji Sir Abdoola Haroon:** Please remember in those days there was no voting system.

**Mr. Jamnadas M. Mehta:** Voting apart and there will be no voting if the enemy comes. In fact, one of my astrologer friend in this House

has already decided that there will be no next Session of the Assembly because, there will be a fight in the streets of Delhi. But I do not believe in such dismal astrologers. I believe in the right hand of man and in his soul, and, therefore, I am appealing to the soul which flows in you as much as it flows in me. At this time, do not think of the so-called homelands only but also of what is happening all over this country. Let me tell my Honourable friend, Mr. Jinnah, that he was at one time a nationalist leader of this country. We started in Bombay a Jinnah Memorial Hall when Mr. Jinnah was a nationalist in his more evangelic and more regenerate days. I am one of the trustees of that Memorial Hall. We then admired and adored him. Mr. Jinnah's homeland is in a small village in Kathiawar where his ancestors recited the Gita. In fact, his very name is a Hindu name. The word Jinnah means "small, puny". Therefore, I can beg of him that his blood and the soul that is within him both belong to this country. Today I beg of the Muslim League Benches that you may remember as much as you like your sacred places, but in the past the Arabs and the Turks have slaughtered each other. Even today in Ibni Saud's time, my Muslim friends will remember, there was an International Muslim Conference in 1927 for the safety of the sacred places of Islam. The Indian delegate said to Ibni Saud: "Give us the government of the holy places". Ibni Saud said: "Here it is. I am a Muslim and you are a Muslim. We shall all govern these holy places in the name of Islam". I can refer you to a book in which he has said this. Then, the Indian delegate said: "No, it is not merely the religious government but the political government of Hedjaz which you must give to us". Ibni Saud said: "I have protected these places when you were not here and I am going to protect these places, as a sovereign when you may not be here. Therefore, take the religious administration of Hedjaz in your hands but leave the political sovereignty to me". But when the Indian delegate insisted on his demand, then Ibni Saud's men spoke out in the following words: "When the Muslims in India will know how to manage a kitchen, a tea house, in Bombay properly then we shall consider their claims to govern Hedjaz". These are the words addressed by one Muslim to another. Therefore, our real future and our real destiny lies in this country. I will forswear all dissensions and all controversies. For the present let us combine for a common victory. It is victory alone which counts. All our aspirations will be ashes if our internal struggle continues.

To the Hindus, I can only say: give up the futility of caste and sub-caste. Our homes are in dire calamity and our families and our country are threatened with things which are full of agony. To my European friends, whose representative, Mr. Griffiths, spoke yesterday with great eloquence, I beg of them to declare themselves now. If the Europeans in India today made it clear that whatever the Government in England might do or might not do, they at least are prepared today to live as citizens of this country without privilege and without claiming any extraneous advantages on the grounds of the past conquest, I think the Government in England will not even think it necessary to send Sir Stafford Cripps. I want that declaration now in this House from the European Benches, that they are the people of this country and are, from today onwards, prepared to live as citizens of India and no better,

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that our glories will be their glories, that our disasters will be their disasters. Let them stretch their arm of friendship to us here and now today. Let them imagine the electrification of public opinion if such a declaration is made by the three lakhs of Europeans in this country. Let them say that they are not a conquering race any more, that they do not believe in exploitation and that they believe in equality. Their promise that they are for the freedom of this country will ring throughout the country, if they could make such a declaration here and now and I would request them to rise in their places and say that that promise is given. I am waiting for them to rise in their seats and say that that promise is given here and now. Unless that promise comes, my friend, Mr. Griffiths' speech, eloquent as it was, will lack that strength and sincerity which is needed today. His speech must be followed up by a declaration in this House on the part of the European Benches that from the 13th of March, 1942, the Europeans in this country are not exploiters but fellow citizens, and equals among equals.

Lastly, I come to the Government. I know that their voices are hushed. They cannot speak out what they might be thinking. The Expanded Executive Council consists of some of my best friends whom I have known for a life time as honest public servants but they are silenced. I would ask the Government, if possible, to speak in the same language in which His Excellency the Viceroy spoke the other day in making his appeal to the people of India. That appeal is as much to the European as to me or my friend, Maulana Zufar Ali Khan. Will that appeal be responded to or will it remain a pious hope of His Excellency the Viceroy? That is the problem. Sir Stafford Cripps is coming. When the aeroplane is available; he is welcome. What cargo he is bringing I do not know. But I do not build much hopes on that. Whatever may happen, I want to tell him this. Do not forget the common citizenship of all of us—the children of the soil, that nothing will remain permanent which is not truly democratic and national. In a hurry you may do some patch work which will make things worse than ever before. I have the privilege of knowing Sir Stafford Cripps personally when he came in 1940 and his great reputation fills me with hope that he will succeed where others failed. But whether he succeeds or fails, today it is my country that is in danger and I am forgetting everything else. I do not wish simply to hear the sound of my own voice. Angry denunciations of Government or of my comrades are out of the question. The days of mob oratory, the despicable demagoguery which incites but cannot inform, which inflames but cannot enlighten, those days are gone. What is required is sincerity and determination. When the great Marshal came to this country, we in this House unanimously passed a Resolution admiring the combating and resisting spirit of the Chinese. We wished him well but what have we done?

**An Honourable Member:** We did not see him.

**Mr. Jamnadas M. Mehta:** Not necessarily. You read his message, the message of hope and cheer, the message of call to assistance to China. Was that an empty Resolution that we passed or do we believe in that Resolution? People have picked up a small part of it which refers to political conditions and neglected the rest. I beg to invite your



attention to one passage in his message in which he says that the destiny of India and China is today identical. Has anybody noted those remarks?

**Sir Abdul Halim Ghuznavi** (Dacca *cum* Mymensingh: Muhammadan Rural): Yes. I have.

**Mr. Jamnadas M. Mehta:** If you have and if others have, then let us not simply waste our time on one passage. Those only are wanted today whose determination is clear, whose will to sacrifice is undoubted, whose courage is undaunted and who have made up their mind that, whatever may happen, the Jap shall not come to this country. That is the one single thought that has assailed me during all these days and nights and I say that when death is stalking all round, you should remember that humanity is fighting a deathless struggle for freedom. It may be that the struggle may end in the victory of the aggressor. In that case, humanity will not accept it as a final solution. Christianity, Islam and Hinduism and Buddhism are all in the melting pot today. They are threatened as much as any other things. Therefore, all controversies must be hushed. All differences must be kept in the background and the one and only consideration that should weigh with us is that we shall resist to the last, if it came to that. If in the struggle we are exhausted, if in the struggle we expired, let our last words be 'Fight on'. Then, the verdict cannot be in doubt. We have wasted 2½ years in idle controversy.

**An Honourable Member:** Who wasted?

**Mr. Jamnadas M. Mehta:** All of us. I am not blaming any one Party. We have wasted our energies on things that are worthless and insignificant. Your own children may be mangled and mutilated by the enemy. My heart will bleed just as much when your home is bombed, as yours will bleed when my home is bombed. My only quarrel is with those who even today, at the twelfth hour, are still carrying on idle empty controversies, whose mind is not made up about winning the war. These empty controversies ought now to be put in the cold storage. If the Congress, the Hindu Mahasabha and the Muslim League and the other parties have spent any time in these idle controversies, let them not do it any more. The Congress and the Muslim League have today kept aloof from the war effort. I beg of them to come in and co-operate, just as I have appealed to the European community. If they choose not to come in, I beg of them to stand aside and not do anything that will impede the war effort. Let those who believe in fighting the enemy come to the front and my humble submission is that, no matter what others may do or may not do, there are at least four or five people in this country who can be safely trusted to give of their very best to awaken public opinion, in spite of all that may be said to the contrary, who will bring the Muslim masses and the Hindu masses, and the masses of this country to the battle-front. The names I want to mention are those either of the Maharajah of Bikaner or the Maharaja Jamsaheb of Nawanagar. The next name is that of Mr. V. D. Savarkar. Then I propose the names of Sir Sikandar Hayat Khan and Mr. M. N. Roy. To these four you may add the name of Mr. Fazl Huq if you like, I do not mind. I do not want too many. (Interruption.) I am sure Sir Sikandar Hayat Khan and Mr. Fazl Huq are as good Muslims as anybody else.

**An Honourable Member:** You club them together.

**Mr. Jamnadas M. Mehta:** Don't question. They are as good Muslims as you are. Politically you differ, you differ on small points, but they are your brethren in religion. And today Mr. Savarkar can claim the allegiance of the Hindu community as nobody else can. Even the Congress Hindus tell me many a time in private that Savarkar is right and Gandhi is wrong, as he has always been. Then Mr. M. N. Roy, who can command the allegiance of the working classes, being a communist by conviction, who has sacrificed everything today in order to put the last possible ounce of energy into the working classes so far as he could. Among the Princes, the Nawab of Bhopal may replace the Maharajah of Bikaner, or the Chancellor of the Princes Chamber may be taken. These gentlemen today will create unbounded enthusiasm if they are placed in complete charge of the war effort and in a position of authority and command. Let the politicians stay aside. Let the bickerer and the controversialist keep his peace. Let the hopes and safety of this country be no more jeopardised by idle controversies.

**Sir F. E. James (Madras: European):** Like most of the previous speakers I shall make little reference to the Finance Bill. It is a severe but just measure and its reception in the country should, I think, encourage the Honourable the Finance Member in his task. I would only say that the Finance Bill is possible today because of the foundations which have been well and truly laid by his predecessors in the years past.

To my mind, on the home front, the four most important points are production, transport, food and civil defence. I make no apology for returning to this question of production, as, unfortunately, on the debate on the Demands for Grants one's time was greatly restricted and there was no opportunity of replying to the points which were made so effectively by Mr. Jenkins. He recognised the arguments that we advanced, but he thought that the creation of a new Department, as he called it, would lead to administrative chaos. I will not quarrel with him or any one else on the administrative arrangements that should be made to ensure the pre-eminence in all fields of the demands of production, for that is what I am aiming at. The particular suggestion that I made was only a suggestion as to the way in which that aim might be realised.

I mentioned in my speech, the other day, that there were certain impediments in the way of flat-out production, and I feel strongly that production is of such vital importance that those impediments should be removed and that production should have precedence over everything else. No inter-departmental rivalry should stand in the way. The Department of Supply or Production if you like to call it,—the Department of Production, the needs of that Department should come absolutely first and those needs should be satisfied without the intervention of any other Department or without the impediments which are placed in the way by other considerations. I would refer, particularly, to two points on which I can see there may be a danger of impediments being placed in the way of production and the transport of the things that are produced to the places where they are required.

Let me say a word about import control. I am aware of its necessity, and I should like here to pay a tribute to those who have been

concerned in an exceedingly difficult task. The delays, which were inordinate to begin with, have been reduced to the minimum. But I would draw the attention of the Honourable Member in charge of Supply and the Honourable Member in charge of Commerce, to the paramount importance of ensuring that the necessity of obtaining an import license, and in addition to that, of obtaining a priority certificate in regard to essential machines or equipment for production in this country, should not hinder the speed with which those articles are obtained. I could quote to my Honourable friends, if they were here, illustrations of the delays which have taken place owing to this dual responsibility, or, shall I say, this dual procedure which has to be followed. I am not a little alarmed to hear that the Office of the Chief Controller of Imports is to move to Simla. Not that I grudge the move, but I am afraid that it will mean further delay. If that Department is responsible for the issue of import license and then another Department down in Delhi is responsible for the issue of priority certificate, I do apprehend there may be delays in obtaining release, either from the United Kingdom or from the United States, of materials which are absolutely essential for this country at the earliest possible moment. I hope that that point will be looked into by the two Departments principally concerned.

**The Honourable Sir Jeremy Raisman:** I have no doubt that my Honourable friend realises that if Departments are being sent to Simla, they are being sent there, not for the benefit of their health, but because they cannot be housed in Delhi.

**Sir F. E. James:** I fully appreciate that, I realise the position. At the same time, I do hope that if there is to be a physical separation between the Department responsible for the issue of import license and that responsible for the issue of priority certificate—I do hope that some arrangement will be made so as to obviate the delays which ordinarily would be caused by that physical separation.

May I also make one other observation on the question of production and some of the impediments which are in the way? One of the impediments is the India Office. That I know from experience. I know my Honourable friends on the Treasury Benches are not responsible for that. But if there is anything that can be done on this side to remove the impediments in that office, then I should be very glad if action could be taken. Here, again, I do not want to quote individual instances, but in recent months, there have come to my notice cases where the most unwarranted delays have been caused by obstruction in the India Office. In a war in which on the production side, every minute counts, it is astonishing that that kind of delay should be allowed still to exist.

I would now turn to the other matter, that is the question of transport which is intimately related to production and on which the distribution of the articles produced also depends. I may say that we have been, I think I may say that the whole of my Party have been rather disappointed during the course of the railway debates at the fragmentary way in which this matter of transport has been dealt with by my Honourable friend, the Governor Designate of Assam, on whose appointment, I am quite sure the whole House would wish to congratulate him. I should like to ask him if he would consider making a much more comprehensive statement than he has done before, on the

12 Noon.

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whole question of the transport arrangements in this country which he is now considering. What is the precise function of the newly created Central Transport Department? Why are not the Departments of Commerce and Supply represented on that organisation? What relationship does that organisation bear to the Provincial Boards of Transport which were set up sometime ago. How is my Honourable friend going to avoid the danger which is already becoming apparent of the overlapping of authorities? What are the precise functions—and here I have given notice of a question, but if my Honourable friend would make a statement during the course of this discussion, I shall be glad not to ask that question because I am raising rather wider issues—what is the relationship of the newly appointed Priorities Officer to the railway administrations throughout the country and to the Officer who is charged, for example, with the distribution of priorities in regard to coal? In other words, the House would be grateful to my Honourable friend if he would give us a general statement of Government proposals, and as to how they are going to deal with the second vital problem of the home-front during time of war. One of the miracles of modern times is the way in which the Russians have grappled with this transport problem. No one in Russia, before the war, would imagine for one moment that that country could have grappled with greater transport problems than any other country has been faced with, and yet, it is a tribute to their organising, sometimes extremely unorthodox organising genius and their powers of adaptation at short notice, that they have been able to move munitions, armies, aye, factories in the most remarkable way. A friend of mine the other day suggested that before the successor to my Honourable friend takes office, he should be sent to Russia to see how things are done there.

Now, Sir, I want to say one brief word about civil defence. I use the word in its broader sense. But I would like to ask my Honourable friend, Mr. Symons, if he would take the opportunity of this debate to complete the speech which he was delivering with such telling effect the other day, which was interrupted because of the time factor. There are a number of points which my Honourable friend, Mr. Lawson, raised, which he was not able to deal with and we should appreciate very much his dealing with these points during this discussion. May I also ask him if he could make a statement on the general question of equipment for civil defence, which is so short in certain areas in this country? It is due to the House that a statement should be made as to the distribution of existing resources and as to the prospects of those resources being made more adequate. Under civil defence, I include all measures that are taken to stiffen public morale. On the whole, I believe that public morale is good, far better than it has been in some other countries which have been over-run and occupied by the enemy. That is why I use the word "stiffen". I would plead for a more adequate use of our great broadcasting system in this country by those in authority in Government.

Now, Sir, I know that I am suggesting that those who are desperately hard worked should take upon themselves an additional burden. But let them believe me, when I say that the voice of the man in authority over the microphone at the present moment will have very great effect. It has always been to me a regret that His Excellency the Governor General has not been able to follow up the profound impression which his broadcast some weeks ago made upon the country, by a periodical survey on

the microphone about the war effort in this country. No man carries a greater burden in the Empire than the British Prime Minister. Yet he finds time to go to the microphone and talk to the people of the Empire. May I plead with His Excellency the Governor General, with that great gift he has for moving and simple statement, to find time to talk to the people of this country more often. May I also ask some one in authority precisely what is the relationship between the authorities in the Broadcasting Department and those in the Public Relations Department of Defence who are responsible for publishing frequently in the Press, notices, statements, and stories from the battlefield of war. There has developed in the course of this war, an egregious gentleman, who is sometimes called 'a military observer', and sometimes 'a military spokesman'. His duty seems to be to tell amusing and interesting stories of individual courage, in order to cover the fact that our troops are fighting a rear-guard action. That kind of thing, surely, is now becoming a little out of date. I do believe that if there is anything to be told as to our military operations, the country should be told the truth. I believe it can take it.

I shall not say anything on the question of food supply, as that matter was dealt with in the recent debate on wheat by the Honourable the Commerce Member except to emphasise that there is a serious shortage in some districts, a shortage which is particularly felt by the poorer classes. I am glad to be assured by the Honourable the Commerce Member that supplies are coming to Delhi itself soon.

Now, Sir, my Honourable friend, Mr. Jamnadas Mehta, addressed some words to the European Group. I do not propose to answer his invitation to make a declaration; the days of declarations have passed. But I should like to support whole-heartedly the views of my Honourable friend, Mr. Griffiths. It has not perhaps escaped the notice of the House that his appeal came not from some of those who have been associated in the past with the gospel of reconciliation, but from one who has earned the nickname,—and justly so,—of "Tiger Griffiths". That is a very significant fact. He certainly did voice the feeling of every one of us, whatever political opinion we might hold, that the voice of controversy should be hushed.

I should like to address one word, if I might, with the indulgence of the House, not to other Parties in this House but to my own Party and through them to my own community. I should like to remind them that we are living in a revolutionary period; that India is changing and will never be the same again. I should like to appeal to all leaders in my own community to use this present occasion to root out any remaining evidence of racial and social exclusiveness and arrogance. There are still in certain parts of this country ancient monuments of exclusiveness which are now completely out of tune with the modern developments, and which in any case were never worthy of perpetuation. Let them go. Let us decide to throw our lot in with the people of this country. If there are any barriers still remaining in the realm of social intercourse which are hindering the fullest comradeship between Indians and Europeans, let those barriers go. I have preached this for years and have suffered from time to time for espousing the doctrine of freedom from racial exclusiveness. But I do not believe that today, in his heart of hearts, there is a single member of my community who does not feel that these are things of the past. If that is so, let them go. Wherever they remain, let them be

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obliterated. Any section of the community which believes that it can live in complete isolation from the people of this country is living in a fool's paradise. Surely, today in the face of a common danger there is an opportunity to lay a foundation in common service on which can be built an edifice of lasting friendship not only between the people of this country,—my people and your people,—but between the two countries themselves.

**Sir Abdul Halim Ghuznavi:** Sir, the budgetary position shows that the expenditure is more than three times the pre-war budget. A deficit of 47 crores in the present budget is to be met by 12 crores of taxation and the rest by borrowing. That, Sir, reveals how intensely the sources of revenue have been tapped in the past by taxation. So the Government can now no longer raise any more by taxation but have to resort to borrowing.

The next point that I want to raise is this. A provision has been made in the budget for an expenditure of 34 crores for payment on account of goods which my Honourable friend thinks will be coming to India under the Lease and Lend Act. As I understand it, the Lease and Lend Act means that for such goods as may be delivered to us now we are to pay after the war. And that is clearly mentioned in the Honourable Member's statement which says:

"In order to ensure that India participated to the fullest possible extent in these Lease-Lend facilities an Indian Purchasing Mission was created in the U. S. A., and . . . . . India has now been admitted to the benefits of Lease-Lend facilities on the same terms as the United Kingdom itself and other members of the British Commonwealth of Nations."

If that is so I fail to understand why 34 crores had to be budgeted for cash payment. Are we to understand that as soon as the goods are shipped to India His Majesty's Government will debit the Government of India and that His Majesty's Government will demand payment now which they will pay long after the war is over?

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

**Sir Abdul Halim Ghuznavi:** Then why does the Honourable Member provide for a cash payment of 34 crores for these goods when the Act provides for payment after the war is over? I do not understand this provision of 34 crores and the 11 crores which the Honourable Member provided last year for cash purchases. I do not understand these cash purchases when India is to get goods under the Lease and Lend Act, unless it be that India will be called upon to pay cash immediately, whereas the United Kingdom will pay after the war is over. There would thus appear to be no meaning in the Lease and Lend Act to the provisions of which India has also been admitted as a beneficiary.

**The Honourable Sir Jeremy Raisman:** Surely, if in the course of the Honourable Member's business something is advanced to him for which he has not to pay at the moment, he will still make some entry in his books to show that some time he will have to pay for it.

**Sir Abdul Halim Ghuznavi:** Is that the meaning of the Lease and Lend Act? As I understand it . . . . .

**Sir Cawasji Jehangir:** Sir, as there is a good deal of misunderstanding on this point, may I ask the Honourable Member one question to make the matter more clear? Government have made a book entry. Does that mean that if they had not made that book entry but had set the amount aside or if they had had to pay it, they would have had to borrow 34 crores more?

**The Honourable Sir Jeremy Raisman:** That is correct.

**Sir Cawasji Jehangir:** Then, does it mean that it is merely a book entry, and they have not borrowed any more due to that book entry? If they had provided it, as some believe they have, then Government would not have had to borrow 34 crores more?

**The Honourable Sir Jeremy Raisman:** The Honourable Member is right in thinking that I have not provided for the actual raising of the ways and means in order to make this payment. It is true that I have provided for the debiting of certain revenue accounts with the value of these goods, but I have not provided anything since for the actual payment.

**Sir Abdul Halim Ghuznavi:** Do I understand that this amount of 47 crores which is to be met does not include these 34 crores?

**The Honourable Sir Jeremy Raisman:** No, not as such; not as 34 crores.

**Sir Abdul Halim Ghuznavi:** Does this deficit of 47 crores represent also this 34 crores in it?

**The Honourable Sir Jeremy Raisman:** It is possible that a certain part of this 34 crores might enter into the deficit. In my opinion it would be a comparatively small fraction of 34 crores.

**Sir Cawasji Jehangir:** You might explain that later on and make it more clear.

**Sir Abdul Halim Ghuznavi:** It is difficult for us laymen to understand the Honourable Member's point. Then, Sir, I come to the Excess Profits Tax. My Honourable friend recognized that at present the Excess Profits Tax of 66½ per cent. militates at certain stages against the incentive to the most economic and efficient administration of the business. He admits that it militates and he wants to give an incentive to the businessmen. Naturally, when a businessman makes one hundred rupees and if he is asked to pay 66½ out of that hundred, there is no incentive for him to make any money. Therefore, my Honourable friend has suggested an incentive so that the businessman may go on making this money to pay him the 66½ per cent. What he has suggested is this: "Look here, I agree that you do not feel happy over taking away 66½ per cent., and, therefore, you don't do more work to earn more money". Now just see what a great incentive he is going to suggest in order that we should make more money to pay him! He says: "I will provide an incentive and it is this. If you pay ten per cent. of this 66½ per cent., say in the shape of war bonds, the Government will give you another ten per cent. of 66½ per cent."

**The Honourable Sir Jeremy Raisman:** What I said was this. If the assessee will pay anything up to 20 per cent. of the tax, then I will put in half of that amount.

**Sir Abdul Halim Ghuznavi:** I beg your pardon. It is not ten per cent., but 20 per cent. If I pay the Honourable Member 20, then he pays me back ten.

**The Honourable Sir Jeremy Raisman:** And your own 20.

**Sir Abdul Halim Ghuznavi:** Yes, I know.

**The Honourable Sir Jeremy Raisman:** It is very important.

**Sir Abdul Halim Ghuznavi:** My 20 will be returned one year after the war, but his ten, only goodness knows when he is going to return! That is the incentive that he is giving for making us work more and put the benefit of it in his pocket.

Then, Sir, is the question of defence. It has been pointed out year in and year out in this House that the defence budget of India is the highest in the world. At least during the last 17 years that I have been a Member of this House I have heard year in and year out that the defence figure of India is more than the defence figure of any other country in the world and that the Government have to reduce that. But we have always been told that the amount is required for the defence of India and to protect us from any outside aggression. Now I ask the Honourable the Finance Member, what he has done so far to protect India from aggression. Burma, which was a part of India, was only separated the other day, and we have had to provide from our general budget for the defence of Burma. For one hundred and fifty years we have been exploited in the name of defence and the standing army. What is the position today, I ask? It is just a stroke of luck that these Japanese have not yet come. But if they do, how are we to defend this country?

**The Honourable Sir Jeremy Raisman:** By talking like this.

**Sir Abdul Halim Ghuznavi:** And by the actions of the Honourable Member—by what the Honourable Member has done. Why did the Government not arm the forty crores of people of India? What prevented the Government from arming this nation of forty crores? If they had, we would have defended not only India, but the Honourable Member's own country against the Nazi hordes.

**Mr. N. V. H. Symons** (Government of India: Nominated Official): May I presume on a very long friendship with the Honourable Member to remind him of the first words which Mr. Churchill spoke when he succeeded Mr. Chamberlain, which were:

"Let the present not quarrel with the past because if we do that, all we shall do is to jeopardize the future."

**Sir Abdul Halim Ghuznavi:** Thank you, Sir. The Honourable Member is my old friend. Can he tell me what he has done in 1939, and in 1940 and in 1941? Are these present or past years? And the Government will carry on in the same way till the war is over.

**The Honourable Sir Jeremy Raisman:** 1940 is not 1942.



**Sir Abdul Halim Ghuznavi:** What has my Honourable friend done in 1942? Is there anything that he did in 1942 to improve on what existed in 1940 or 1941? Let us have some consolation that there will be something to defend us. No, we have been left in the lurch. Goodness knows how we are to defend ourselves. We do want to defend. It is our country. We do not want to be bombed. Give us the necessary material and we will fight, and the Honourable Member will see how we can fight.

Sir, in March, 1939, I remarked in this House while speaking on the Finance Bill:

"The British prestige was no more."

The Honourable Members in the European Group were indignant. Sir Fredrick James said:

"The British prestige was far better today than it was before."

I retorted: "You have lost everywhere", and added "Just wait and see. Your action in not taking any action in Abyssinia has destroyed your British prestige."

**The Honourable Sir Jeremy Raisman:** That proves you are a false prophet anyhow.

**Sir Abdul Halim Ghuznavi:** Sir, I am presently coming to that.

**Maulana Zafar Ali Khan** (East Central Punjab: Muhammadan): Physical prestige or moral prestige?

**The Honourable Sir Jeremy Raisman:** Abyssinia is a good example.

**Sir Abdul Halim Ghuznavi:** My Honourable friend says 'Abyssinia is a good example', because they have reconquered it and given it to the Emperor of Abyssinia. Is that the idea? I am coming to that point.

**The Honourable Sir Jeremy Raisman:** It is a very good example of how the prophets of disaster are prepared to raise their voices at the worst moment.

**Sir Abdul Halim Ghuznavi:** The reason why I have raised this voice at this critical moment is to make the Government work, to make the Government feel that they have a duty towards us, to prepare us and give us the tools which they have not given us. Give us the tools, give us the materials and we will fight. We will face the enemy even now.

As late as the 7th August, 1941, in the House of Commons, Mr. Anthony Eden, the Foreign Secretary, issued a grave warning to Japan that any action calculated to threaten the independence of Thailand would inevitably give rise to a grave situation between Britain and Japan. That was in August, 1941. In December, 1941, we found that Thailand had taken arms against us. Something is wrong with the intelligence department of His Majesty's Government, and perhaps of the Government of India. Thailand's geographical position is such that she cannot defend herself alone. Either Japan or the British must come to her rescue; otherwise she cannot defend herself. That is perfectly clear: and if I may say so, all the trouble that has arisen now in Burma is due to the mistake, which let Thailand go over to the enemy's side. There was a

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goodwill mission from Thailand which came here and we were asked in Calcutta to give them a warm welcome and reception. They came here, they saw all our works and went back with full knowledge of what we do and where we do it. If the Allies had done in Thailand, what they did in Iran and Iraq, and gone straight to Thailand, Thailand would have been by the side of the Allies today, but they waited till it was too late; and now Thailand has gone over to the other side and the whole picture is changed.

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It is all very well to say now, as Mr. Hore Belisha said last month, that after two and a half years of war they have discovered that the cause of the British failure in the Far East was the British colonial policy of not carrying the indigenous peoples' support for the prosecution of the war. A very significant statement!

Well, Sir, let me give you this story of how they lost Malaya. First of all there was the complaint of the lack of man power in Malaya and in Singapore. It was found to be one to seven—seven Japanese against one of us. Soon after the declaration of war by Germany, the Indian population in Malaya, numbering about eight lakhs, offered to form a volunteer corps. The High Commissioner rejected the offer with thanks. Mr. Mallal, a barrister evacuee from Singapore, told the Bombay Rotarians the other day that the offer was repeated when Japan declared war, and was turned down again. Malaysians, Javanese, Chinese, Eurasians and the Europeans had their volunteer corps, but not the Indians—you cannot trust them; that is the feeling in their minds. These eight lakhs of Indians, available as a fighting force in Malaya, were not allowed to arm themselves and form a volunteer corps. There was discrimination in every form. Being the Chairman of the Evacuation Muslim Committee in Calcutta, I meet the steamers when I am in Calcutta; the evacuees tell us stories of how non-Indians, all along, got preference for evacuation to Indians. There are hundreds of thousands of Indians who are left behind; but all white men have been cleared out of Malaya, Singapore and Burma.

In the Round Table Conference we opposed the separation of Burma. I was in the Burma sub-committee. Burma was part of India then; British interests again came in and Burma was separated, in spite of the large number of Burmans who were against the separation. Fifth columnists had to be engaged to make them agree to the separation. Had Burma not been separated today, their defence would not have collapsed like a pack of cards as we see today.

It was Marshal Chiang Kai Shek's parting message that roused our friends in London. What was the parting message that the Generalissimo gave? He said that he sincerely hoped and confidently believed that Great Britain would, without waiting for any demand from the Indian people, give them real political power so that they may be in a position to further their spiritual and material strength and thus realise that their participation in the war is not merely an aid to the anti-aggression nations. They have not up to now offered us anything. All along, continuously, we have been told—"Settle amongst yourselves, come with a joint proposal to us before we can do anything. Without that we will consider nothing".

†Portions in asterisks were deleted by order of the Assembly.—Ed. of D.

That is what you say knowing full well that we cannot settle among ourselves. Now, this great man the Generalissimo had to tell his British colleagues that, without further delay, they should offer us something definite, and I believe the impending visit of Sir Stafford Cripps is the result of that. I know that India welcomes him, and I hope and trust that his visit to India will give us all that we ask for unanimously. He has to find out a formula that will please us all, and not any particular section of India. Sir, it is no use pointing out that the Muslim League, the Congress and the Hindu Sabha do not agree; it is no use pointing out the differences that exist among these three bodies. That is how the monkey dispensed justice to the cats when they were fighting over a piece of cheese. It is no use waiting for statements like—"I am India", "I represent the whole of the Muslim community in India", "I represent the Hindus and no one else" and such like things. Domestic quarrels of ours will be settled when we know what we are to get. They cannot be settled until we know what we are to get.

Now, Sir, another important point that I want to raise here is with regard to what is called the Scorched Earth Policy. I want the Government to make a definite statement as soon as possible . . . . .

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We find, this policy of Scorched Earth was followed by Russia. But conditions are absolutely different in India. In Russia, all industries, heavy industries, or whatever industries they have, are all State-owned, but that is not the case here. In the case of State-owned industries the State constructs everything, and the State, at its will and pleasure, destroys what it wants to destroy. But even in Russia, when they re-occupied their lost territory, they were hampered by their own policy. It is, Sir, at best a double-edged weapon. So far as our industries are concerned, they cater to civilian needs, and they are not of military value. What has happened, Sir, in Burma, in Malaya? . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): Today being Friday, the House will now adjourn and meet again at 2-15 P.M.

The Assembly then adjourned 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.

**Sir Abdul Halim Ghuznavi:** Speaking about Scorched Earth Policy, see what has happened in Bombay yesterday. There has been a rumour that the scorched earth policy would be introduced, and as the Japanese are in need of cotton, the holders of cotton stock wanted to sell those stocks for whatever price they could get; and the market has collapsed as a result. Somehow, the rumour went round in Bombay. The result is that from 184 for Broach cotton, April-May, for fear that it will be burnt before the Japanese could take hold of the cotton, the price has gone down to 169. A statement is necessary, Sir, in the interests of India, declaring once for all that the Government are not going to introduce this scorched earth policy. As I have stated, the industries which we have in India are not State industries, or national investments. We cannot be compared with Russia, and the sooner Government made a statement in order to allay the present panic, that there is no such thing as scorched

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earth policy in contemplation, the better for all of us. I appeal to my Honourable friend to make that statement and allay the panic. Perhaps, if I may say so, it is not possible in India, unless a complete evacuation of India is contemplated, which again is not possible. Therefore, demolition of the potential resources should not be done.

Speaking about the Supply Department, Dr. Sir Ziauddin Ahmed yesterday put some uncomfortable questions to my Honourable friend, Mr. Jenkins, who was present here at that time. The position in the Supply Department is in itself an indication of the distrust in Indian ability. The Secretaries, Directors General, Deputy Directors General, Directors and Deputy Directors in Calcutta are all Britishers. In Delhi, except for a very recent appointment of an Indian as a third Deputy Director General and the promotion of an officer to be Director of Co-ordination dealing almost wholly with official routine, the entire senior personnel of the planning organisation in the Supply Department is in the hands of the Britishers. This is an admission of the lack of confidence in Indian ability, and the British Officers in the Department are obsessed by the bogey of competition against British trade in the post-war days. Then the expected arrival of the American Mission—what more cogent argument need there be to show the distrust of the vested interests in the development of industries by Indians? They will allow Americans any special privileges, but not to Indians themselves. The Americans are establishing an automobile assembling plant in India, but no Indians can. Then the transfer of the cotton textiles section from Delhi to Bombay is only meant to take away supervision from Indian hands. The transfer of tentage section to Bombay—I asked a question last November in this very House on this. The question was:

"What was the idea in transferring the tentage department to Bombay, and what is the reason for this transfer? Will there be any hardship for the northern Indian fabricators in its transfer to Bombay?"

The question was:

"Yes. It has been transferred, and the reason is that tentage is relatively a small part of the Supply Department requirements of cotton textiles, and when it was found expedient to transfer the cotton textile directorate to Bombay, it was thought unwise to dissociate the tentage section from it."

Sir, tentage has nothing to do with the textile section inasmuch as it is a Department in itself. The textile section consists of all kinds of textiles that are manufactured in India, but for tentage, only *dosuti* cloth is required and one has to see if that *dosuti* cloth is manufactured in the mills near about the tentage fabricators. According to my Honourable friend's admission, in reply to my question, out of 57 tentage contractors, 43 carry on their business in Northern India, and there are cotton mills in Northern India which would supply the whole requirement of *dosuti* cloth required by these tentage fabricators. The Honourable Member said that it is distributed in Delhi, but I am afraid that is not the procedure. The whole thing is done in Bombay, and all the tentage fabricators have to go to Bombay. They are all near about Delhi. They have to open an office in Bombay. They have to make tenders in Bombay. The tenders are accepted in Bombay, and, thereafter, they are distributed in Delhi. For every inquiry they have to make, they have got to go to Bombay. What earthly use is there, when all the manufactures are in Northern India and located near about Delhi, in transferring the tentage section to Bombay. Sir, the tendency is to cut out Indian fabricators and confine the orders to the British and a few Indian cotton mills. At the beginning of the war, only three or four British and three or four Indian firms used to manufac-

ture tents. The wise policy of one Indian Officer helped to increase the number of Indian fabricators which rose to 56, and that resulted in 200 per cent. reduction of cost, which otherwise would have gone to six or eight tentage manufacturers. And the reward is made to them in that their quotas have now been reduced and given over to those who wanted high prices. Furthermore, they have been put to as much trouble as possible so that they may dwindle away. According to the Supply Department, the Indian sepoy will not digest his food unless wheat and other cereals are bought by Mr. Owen Roberts. Mr. Owen Roberts alone is the purchaser of wheat and cereals, because if any Indian purchases, the Indian sepoys will not be able to digest that wheat. Crores of rupees worth of orders are placed with one man, Mr. Owen Roberts and not with any Indian.

**Sir Cowasji Jehangir:** Where is his headquarters?

**Sir Abdul Halim Ghuznavi:** Somewhere in Calcutta.

**An Honourable Member:** In Lahore.

**Sir Abdul Halim Ghuznavi:** I am certain that he has an office in Calcutta. He may have a branch in Lahore. The hide and leather orders go to British businessmen, thanks to Mr. Inskip. They will not get an Indian adviser in the place of Mr. Inskip. Mr. Watts of the New Egerton Mills is the Wool Adviser.

**Mr. J. Ramsay Scott** (United Provinces: European): Cawnpore Woollen Mills. He is a Director of both Mills.

**Sir Abdul Halim Ghuznavi:** He is a Director of both Mills?

**Mr. J. Ramsay Scott:** He is a Director of the British India Corporation.

**Sir Abdul Halim Ghuznavi:** He is the adviser on wool, and only that wool which is supplied by a British firm will be warm! No Indian can be found to counsel the Government with expert advice on jute textiles, and so Mr. Walker is the adviser on jute fabrics. Only one Indian there is, and that for the supply of *ghee*. He has got the hereditary right. That is one Alopi Pershad. After he is dead, his son will get it, and then his grandson.

**Maulana Zafar Ali Khan:** Why have they given a monopoly to him?

**Sir Abdul Halim Ghuznavi:** It is a hereditary right. It goes from father to son and grandson, and so on. That is the position.

**The Honourable Sir Jeremy Raisman:** Sir Abdul Halim Ghuznavi has a finger in every pie.

**Sir Abdul Halim Ghuznavi:** I have no finger in any of your pies I have mentioned here.

**The Honourable Sir Jeremy Raisman:** That is bad luck.

**Sir Abdul Halim Ghuznavi:** Then, I will deal with one matter relating to Malaya and the Far East. The Central Board of Revenue has conceded the principle that as the Indian assesseees with Far Eastern investments have suffered heavy losses they are entitled to sympathetic consideration. So, they have issued a circular to the Income-tax Officers that in deserving cases payment in easy instalments may be taken or collection of taxes may be suspended for a reasonable period if the circumstances warrant the grant of such relief. That is what they say, but what is required is postponement of collection of assessment proceedings universally in all cases of foreign investments in view of the colossal losses that the merchants have sustained. I hope and trust that the Honourable the Finance Member will look into this matter.

There is only one other matter and then I have done. I will not tax my Honourable friend, the Finance Member and the Government, with the whole of the Income-tax Resolution that I moved in this House. I would only take two points. The first point is the creation of the Central Department. Mark the words of Sir James Grigg. He said: "the object of the alteration in the clause by the Select Committee was to enable a certain amount of co-ordination work to be done at headquarters and not in relation to any territorial jurisdiction of the existing Commissioners".

I think the sentence is very clear. There is no muddling about that sentence. He went on to explain in clear terms that these Central Commissioners would deal with three classes of cases, namely, penalty, insurance and fraud. My Honourable friend, Sir Cowasji Jehangir, testified as to the report of the Select Committee of which he was a member. The whole trouble about the appointment of the Central Commissioners in the provinces arose after Mr. Sitla Pershad's roving inquiry throughout India. His appointment has no sanction in law.

**An Honourable Member:** Why not?

**Sir Abdul Halim Ghuznavi:** Under what provision of the Income-tax Act was he appointed? I should like to know that. Now, let us see what Mr. Mullan says about this great man,—Sitla Pershad. Mr. Mullan characterised him as "the Board's eyes" And then, in the course of a reply by my Honourable friend, the Finance Member, the other day to the Resolution I moved, he said:

"I am equally sure that until the point was raised in Calcutta recently nobody else thought that Government had violated their assurances as regards those Central Commissioners."

That is what he said in reply. I will point out, I think very clearly, that that is not so. Dayaldas Khushiram, an assessee in Bombay, contested the legality of the appointment of the Central Commissioner in Bombay when he refused to produce books before him. He was legally advised that the Central Commissioner had no jurisdiction in Bombay and the matter was taken to the High Court, who found against the Government. I will not take up the time of the House by reading that portion of the judgment. The judgment is known to the Honourable Member. The Court definitely said that the Central Commissioner in Bombay cannot be appointed under any provision of the Act when the Commissioner of Bombay was already there. What happened then? My Honourable friend had to resort to the Governor General's statutory powers to legalise that appointment. The Governor General, by an Ordinance No. 13 of 1939 legalised the appointment of the Central Commissioner.

**The Honourable Sir Jeremy Raisman:** The Act was subsequently amended. An Ordinance was passed in order to prevent administrative chaos resulting from that. At the earliest possible moment the matter was brought before this House and the Act was amended.

**Sir Cowasji Jehangir:** The matter was never brought before this House.

**The Honourable Sir Jeremy Raisman:** I beg the Honourable Member's pardon. The matter was brought before this House in the form of a Bill to amend the Act.

**Sir Abdul Halim Ghuznavi:** When this Ordinance was issued, the Federation of the Indian Chambers of Commerce protested in the following words:

"The Central Board of Revenue assigned to a special department styled the Commissioner (Central) and Income-tax officers (Central) the assessment of certain parties in Bombay without the necessary legal sanction behind such proceedings; by an application under Section 45 of the Special Relief Act, some of the aggrieved parties sought relief at the hands of the highest Judicature in the province from these activities of the Commissioner (Central) and Income-tax officers (Central), and the Honourable the Chief Justice and the Honourable Mr. Justice Kania of the Bombay High Court held that the Income-tax officers (Central) who purported to deal with the assessments had no jurisdiction in the matter of the petitioners' assessment and ordered the Government authorities to forbear from proceeding with the assessment . . . . ."

**The Honourable Sir Jeremy Raisman:** That is correct. It was the Income-tax officer's jurisdiction that was questioned and not the Commissioner's.

**Sir Abdul Halim Ghuznavi:** They questioned both. The judgment is referring to both the Central Commissioner and his subordinates. To continue the remarks of the Federation:

"The Committee of the Federation are surprised to find that His Excellency should lend statutory support of an emergency nature, under powers vested in him under Clause 72 of the Ninth Schedule to the Government of India, Act of 1935, to validate arbitrary and illegal proceedings undertaken by one of the Departments of his Government."

Now, Sir, another point that my Honourable friend made on the 19th February was this. He said: "I am prepared to admit that the first cases the Central Commissioners took up were the cases of Indian assesseees."

The Honourable the Finance Member continued:

" . . . and not one European. It is a perfectly simple matter and it has since been rectified."

That is what my Honourable friend said on the 19th of February. Even on the 19th February it was not rectified. It was rectified long after that date. I shall now read the Circular which was issued long after the 19th February. The Circular is dated the 20th February, 1942. It says:

"In exercise of the powers conferred by Sub-section (5) of Section 5 of the Indian Income-tax Act, 1922 (XI of 1922), and in continuation of his Memo. dated the 16th June, 1941 the Commissioner of Income-tax (Central), Calcutta, is pleased to direct that a fifth Central Income-tax Circle, styled Central Income-tax Circle V, shall be created . . . . ."

[Sir Abdul Halim Ghuznavi.]

Up to the date I was in Calcutta, before I left for this place, nothing had been done under this Circular.

**The Honourable Sir Jeremy Raisman:** Surely, my Honourable friend does not expect me to go down to Calcutta and do things with my own hands? When I said the thing was done, I meant that the instructions had been issued. I am satisfied that when instructions are issued from the headquarters they are carried out.

**Sir Abdul Halim Ghuznavi:** Thank you; I accept the Honourable Member's explanation, excepting this much, that the Circular may have been issued from here on the 19th February, but it never had reached Calcutta on that day.

**Mr. J. F. Sheehy** (Government of India: Nominated Official): The New Fifth Circle has nothing to do with the question of European and Indian cases. If there is an extra Circle, it does not mean that it has to deal with European cases. It only means that the work is expanding.

**Sir Abdul Halim Ghuznavi:** I have to further deal with this Circular. After the issue of this Circular, I saw a list of European names to be included in the Central Commissioner's Circle . . .

**The Honourable Sir Jeremy Raisman:** But the point is that the decision of that change had been taken when I spoke in this House. When I made that statement in this House, it had already been decided and discussed on the spot by the Member of the Central Board of Revenue with the Commissioner of Income-tax, Bengal.

**Mr. J. F. Sheehy:** Is the Honourable Member suggesting that these cases will not be transferred to the Central Commissioner?

**Sir Abdul Halim Ghuznavi:** No. I suggested that after this Circular was issued, these cases were to be transferred, but they were not actually transferred.

Sir, we are under two Income-tax Commissioners in Bengal. One is Mr. C. S. Mullan and the other is Mr. N. Dandekar. Mr. Dandekar is the Central Commissioner and Mr. Mullan is the Commissioner of Income-tax, Bengal. Now, let us take up Mr. Mullan first. He was in the United Provinces. In regard to Sir Iqbal Ahmad's appeal the Allahabad High Court passed the following remarks about him. May I read that remark which the High Court made about him?

**The Honourable Sir Jeremy Raisman:** Sir, I suggest that the Honourable Member had already had ample opportunities of attacking the officers of the Department. Those officers are not here and it is not possible for me to defend them in detail. I do appeal to the Honourable Member to abstain from personal attacks on permanent officials.

**Sir Abdul Halim Ghuznavi:** Is it a personal attack? It is not a personal attack. I am referring to what they have done in their capacity as officials. I never made any personal attack at all. He is a first class gentleman. Why should I make any personal attack? If my Honourable friend does not want me to pursue this matter, I shall drop it.

**The Honourable Sir Jeremy Raisman:** It is an attack on an official by name.



**Mr. Muhammad Nauman** (Patna and Chota Nagpur *cum* Orissa: Muhammadan): The House is anxious to hear it.

**Sir Abdul Halim Ghuznavi**: But the Honourable Member is angry and so I have to disappoint the House.

**The Honourable Sir Jeremy Raisman**: There is no question of anybody being angry. I suggest that it is a sound parliamentary principle that permanent officials who are not able to defend themselves in the Legislature should not be subject to attack in this way.

**Mr. Muhammad Nauman**: On a point of order, Sir. May I ask whether Honourable Members are not expected to give the House the exact position in certain Departments as represented here, whether a certain official of a particular Department has done a certain thing or not. It is for the Honourable Member who represents that Department in this House to reply on his behalf.

**The Honourable Sir Jeremy Raisman**: The point is that the Honourable Member is picking up the name of an individual officer in Calcutta. He now says: "I will give you the history of this officer. He was here, he was there, he did this and he did that". I submit that is a personal attack on the official in question.

**Mr. Deputy President** (Mr. Akhil Chandra Datta): The point of order raised by Mr. Muhammad Nauman does not arise now. As a matter of fact, even the Honourable Sir Jeremy Raisman did not raise any point of order. He simply made an appeal to the Honourable Member, Sir Abdul Halim Ghuznavi and Sir Abdul Halim Ghuznavi has promised not to pursue this point. Therefore, the point of order does not arise.

**Sir Abdul Halim Ghuznavi**: May I be permitted to read a decision of the Criminal Court in Calcutta?

**The Honourable Sir Jeremy Raisman**: That is a matter which is *subjudice*.

**Sir Abdul Halim Ghuznavi**: But the decision is finished.

**The Honourable Sir Jeremy Raisman**: The matter is under appeal to the Calcutta High Court.

**Sir Abdul Halim Ghuznavi**: Very well. I will wait till the decision on the appeal is known. The matter is with the Calcutta High Court.

**Dr. Sir Ziauddin Ahmad**: The officer has been in the United Provinces. I should like to know something about him.

**Sir Abdul Halim Ghuznavi**: But I have been asked not to pursue the matter. I have got the judgment here. I shall pass it on to my Honourable friend. He can read it himself.

[Sir Abdul Halim Ghuznavi.] )

Well, Sir, regarding the appellate machinery, my Honourable friend replied the other day:

"I am not prepared to concede the demand that Appellate Assistant Commissioners should be put under some other Department of the Government of India. There are obvious complications about such a proposal which I do not propose to go into now."

He added :

"As regards the other point made by my Honourable friend, Sir Abdul Halim Ghuznavi, regarding the lower emoluments of certain Appellate Assistant Commissioners as compared with Inspecting Assistant Commissioners, I am having this examined with a view to putting it right, but that matter affects only a few officers."

As regards the Appellate Tribunal, my Honourable friend agreed that he shall be happy to discuss that with his Honourable Colleague, Sir Sultan Ahmad. Sir, a statement was made that all these troubles arose after an assessee who was trying to evade his payments was caught and after that matter was taken up by the Board of Revenue. In reply to that, I want to make an appeal. If my Honourable friend will read the debate of the 20th March 1929, in this House on the Finance Bill, he will find that I said exactly the same thing which I am placing now before the House in regard to the transfer of Appellate Commissioners to the control of somebody other than the Board of Revenue. This is not a new thing. We have been agitating since 1929. We had a conference with Mr. Mullan and Mr. Dandekar. Both Chambers in Calcutta had a conference long before this assessee came into the picture. That was in June. This particular assessee who wanted to evade payment came into the picture long after—that was in August. In June we made all these representations which I brought forward the other day in the course of my speech.

Then, Sir, a lot has been said about Indian assesseees. I shall only say something about our friends, the European assesseees. I should like my Honourable friend, Mr. Chapman-Mortimer, to listen to this. I see he is sitting in his seat. He is the only Honourable Member who opposed my Resolution. I shall make a present of these facts to him. I am now referring to companies belonging to the European community. I shall not give names:

(a) the case of a company to whom brokers have paid large sums of money, but the payments fail to appear in the disclosed books of the company, and, subsequently, the existence of a different set of books has been discovered.

**Sir Cowasji Jehangir:** Where do you get this information? Where are you reading from?

**Sir Abdul Halim Ghuznavi:** I ask the Honourable Member to deny.

**The Honourable Sir Jeremy Raisman:** This is a marvellous method of argument. I cannot deny.

**Sir Abdul Halim Ghuznavi:** It is known to the Government. Therefore, they cannot deny.

**The Honourable Sir Jeremy Raisman:** You found it out yourself.

**Sir Abdul Halim Ghuznavi:** It is the duty of the Chambers of Commerce to find that out. It is not my duty. What are the Chambers for, if not to find out these things?

**The Honourable Sir Jeremy Raisman:** The information is being given to the Income-tax Department.

**Sir Abdul Halim Ghuznavi:** The Income-tax Department have got the information and they are taking steps. We, poor Indian assesses are the only persons on whom they look with suspicious eyes; they should show the same strictness with regard to my Honourable friends on the right. Why show differentiation between Indians and Europeans? That is all I wanted to say. Now, I shall mention a few more cases of European companies:

(b) the case of two sister companies in whose books are found duplicated, a number of times, debits amounting to lakhs of rupees for the same expenses.

(c) the case of a company having close connection with foreign countries and whose audited accounts do not clearly disclose that all the profits taxable in British India have been properly or adequately shown.

(d) the case of a company which has from year to year objected to filing its balance sheet in the Income-tax office.

I now appeal to my Honourable friend to consider the transference of the Appellate Assistant Commissioners to the Law Department of his colleague. That will allay the panic that is prevailing in Calcutta.

**The Honourable Sir Jeremy Raisman:** It would allay the panic more if I could transfer the Japanese to my Honourable colleague.

**Sir Abdul Halim Ghuznavi:** He has agreed to the second case; I want him to consider whether he should agree to the first case also.

Sir, before I sit down, I may mention here that we Indians, from one end of the country to the other, stand solidly behind Great Britain and her Allies in the fight against Nazi fascists hordes and this Japanese menace which now threaten freedom and civilization. I cannot end my speech without paying a tribute to the leader who steers the ship today for the freedom loving nations.

Sir, Mr. Churchill is one of the greatest Prime Ministers that the world has seen. If any man is admired in the whole world it is Mr. Churchill. I remember in 1931 and 1932 when we were in London, we often met him and in the House of Commons Library he used to address us. One point that he always insisted on was this, that he knew these Nazis, and always asked, "Why do you feed the snake?" And that has come to pass. I can assure my Honourable friend that it had never been in my mind to attack that great man for whom we Indians have the greatest admiration.

**Mr. Govind V. Deshmukh** (Nagpur Division: Non-Muhammadan): Sir,

it was with some pleasure that I heard the speech of Mr. 3 P.M. Jamnadas Mehta and, particularly, the appeal he made to the European Party, namely, 'A statement should be made here and now that they will cease to exploit this country and that they should give up all their privileges and special claims'. But the speech had no effect on the European Party here, however well it may read on paper.

(Interruption by an Honourable Member). .

All these special privileges are embodied in the Government of India Act. They assert their superiority and carry on their exploitation whether they are in India or Africa, or Australia or Kenya. All wars originate in the exploitation of one nation by another, one race by another and the present war started because of the assertion of the superiority of one race,

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viz., the Nazi race, and the culture known as Hitler's culture. It is this superiority complex of one particular race, the desire to exploit other races whom they consider to be intellectually inferior and backward and races which according to them have no right to exist and which will, according to them, benefit by their superior civilization being carried to them that is, the so-called backward races that causes wars. They are not prepared to admit the equality of other races. Let me give one instance. It is painful to say it but I cannot help saying it. Advice has been given to forgive and forget; but at what stage? Not when you were free from worries and anxieties and enjoying benefits and privileges. If the advice had come then there would have been some grace in it. But there is no grace in it now when the interests of those who give advice are in danger. It is all right to ask us to forgive and forget, but one cannot forget the past. As a matter of fact past experience is the only light which can guide our footsteps in the future; and we cannot, therefore, forget the past. Let me say one thing. And when I am saying this, I am not supporting the claims of Japan to dominate any other race or nation but it was Japan which in 1919 at Versailles pleaded for racial equality. I will read a passage from a book by Harold Nicholson called 'Peace Making in 1919':

"On February, 13, the Japanese had suggested that in the clause providing for religious equality, the words 'and racial' should be inserted between the word 'religious' and the word 'equality'. They were persuaded to drop this painful amendment for the moment but they again revised it on April, 11. Mr. Wilson then found himself in a grave difficulty. On the one hand the equality of Man, as enshrined in the Covenant, implies the equality of the yellow man with the white man, might even imply the terrific theory of the equality of the white man with the black. On the other hand no American Senate would ever dream of ratifying any Covenant which enshrined so dangerous a principle. On that occasion the President had, by the skin of his teeth, been rescued by Mr. Hughes of Australia. The latter insisted that no such nonsensical theory as the equality of races should figure in the Covenant. Lord Cecil was instructed by the British Empire Delegation to support Mr. Hughes' contention in the League Committee. The Japanese, however, were not prepared to allow Mr. Wilson this providential *alibi*. They put the matter to the vote. They gained their point by eleven votes to six. Mr. Wilson, as Chairman, was faced with the unpleasant necessity of having to decree that the Japanese amendment had 'not been adopted' since it had failed to secure 'unanimous approval'. That incident had left even him with an uneasy feeling inside."

I do not say that we should welcome the Japanese with open arms but we cannot forget the past. We insist in a declaration about our status—political as well as social—being made before the end of the war. We are called upon to make all sacrifices. If no declaration is made here and now you cannot expect whole-hearted co-operation from the people, whose hearts are lacerated in so many ways. Look at the treatment the Indians receive in various parts of the world. Look how they are treated in South Africa. Look how they are treated in Australia. Look how they are treated in Kenya—not a self-governing colony.

**Mr. J. Ramsay Scott:** How are they treated in Australia?

**Mr. Govind V. Deshmukh:** I will tell you how they are treated in Australia. I will read out the very words spoken by the Prime Minister of Australia. Indians cannot even land there.

**Mr. J. Ramsay Scott:** Every Indian in Australia has full rights.

**Mr. Govind V. Deshmukh:** Now, let me, in connection with this, read out what Mr. Curtin said:

"That Australia's voice should not be only effective but also heard in its proper place. Australian affairs should be conducted only after Australia has had a full say."

India cannot have its say. Britain will have its say and India's affairs will be conducted accordingly.

"After Australia has had a full say in what is after all the shaping of our destiny," *not like India who cannot shape her destiny* "Australia is for the Australians".

Has any black man or a brown man any rights there? Australia is for the Australians.

"It is a White Australia. With God's blessing we shall keep it so."

Then, Sir, I will give you a very recent instance. When Singapore had gone, when Malaya had gone and the Indian evacuees had to take refuge somewhere, how did Australia behave? They were not allowed to land there. Australians and Indians were fighting side by side, but Indians had no right to land on the Australian soil! Sir, I was not present but, I understand, Maulana Sahib gave an instance of a technician who could be of use wherever he may be, but who was refused shelter in Australia. As regards evacuees, let me tell you what Mr. Curtin said:

"We will welcome some Asiatic women and children."

Not men. No. Men must be left to the Japanese to be treated in any way they liked. Sir, I have not heard how many Indian men, women and children were allowed to land in Australia, and how they are being treated. Will anybody enlighten me? This is the story of one race dominating over the other. It is a record of so many years. It is desirable that everybody should have his policy guided in future by this past experience,—experience which cannot be forgotten, and which should be kept in mind.

Now, Sir, having said this, let me come to another point. At the very outset, I may say that I may have to say something very strong about the army. I would like to make a few statements first so that I may not be misunderstood. In 1940, I carried out a campaign for three months regularly, through newspapers, local as well as in other provinces, for the enlistment of our men as King's Commissioned Officers and as ordinary officers. I found a great difficulty in this work, and I was not alone to take advantage of this opportunity of war and to start an agitation for the enlistment of men from this province and other provinces from which there was not a single man—or perhaps there was one man—recruited. As I have said, I was not the only one in the field. The Governor of Madras was feeling the same difficulty. He had to try hard and the Bengal Government—which was a popular Government met with the same difficulty. I put questions on the floor of the House and I used to receive replies that it is true a Resolution has been passed unanimously by the Bengal Council that men should be recruited. But our efforts in respect of recruitment to the Army were not heeded to. This Defence Department is a Department with which not only a poor man like me found difficulty but even the Governor of Madras found difficulty. God only knows what sort of heart they possess. I do not know whether it is an armoured heart or whether it is a heart which has no

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feeling. It does not respond, whether it is the Governor's suggestion or a publicman's speech. Sir, I have made genuine efforts to get the ban lifted from certain provinces and from certain castes and I went to extreme limits. I approached the Chief Commissioner of my Province.

**The Honourable Mr. M. S. Aney** (Leader of the House): There is no Chief Commissioner in your Province now.

**Mr. Govind V. Deshmukh:** Sorry, I mean the Chief Secretary, and the matter was referred to the Government of India and I was glad that our request was conceded after all. I had said in explicit words how can the Government appeal for funds, for loans, for anything if they are not going to take men in the Army? At that time Japan was far off. They could very well say no. They slept over the matter for some time. But when it came so near as actual knocking of the door, then only they said; "Oh! Come on, one and all".

Now, Sir, having said this much that I made genuine efforts at recruitment, I say that I do not want an army which has no character. I want an army which should be admired for its character here and feared abroad for its might.

I want to say something against the British soldiers. I will be very brief, Sir. I had tabled an Adjournment Motion to discuss the misconduct of the British soldiers in Poona Cantonment and other places. This misconduct on the part of British soldiers which resulted in a Resolution being passed by the Bombay Corporation expressing great apprehension and praying for immediate relief is causing great concern. These are not the only instances. I read only today in the *Bombay Chronicle* referring to Resolution passed by the Women's Association, Bombay referring to the misconduct of these British soldiers and the fear they apprehend. It is unsafe to walk in the evening or after 7 o'clock in Poona—you can go and read the *Kesari* and you will find the sort of trouble they are having in Poona. People are advising their sisters and mothers not to walk unaccompanied by anybody after 6 or 7 in the evening. If the Army creates this sort of feeling, what sympathy can you expect from the public to prosecute the war? I also find that other organisations have passed resolutions asking the Government to put a stop to this sort of misconduct on the part of the soldiers and to give an immediate relief. If anybody makes a complaint, the question put is: "Have you reported this matter to the police?" It is a singular question to put to me that any woman who is molested should go to the police station and make a complaint. And mind you, if she does that, she or somebody who accompanies her will be told this is not a cognisable offence. If she has been molested; she has her remedies open; file a complaint in court. If things like this happen, what security is there? What safety is there for this civil population; and this want of security and safety arises long before the Japs knock at your doors. What co-operation can there be if things like this are allowed to happen? If you want the co-operation of the people to carry on this war, you must seek their sympathy. It is no use getting up in your place and saying "Please come along and join the army and fight".

Expansion of the army means not merely expansion in the infantry; but there are officers who are wanted. There are doctors who are

wanted, there are nurses who are wanted. Can you expect all these to come when their sisters are ill-treated like this and when we are told we cannot discuss it for want of the support of 25 Members in this House! With that sort of conduct, can you expect us to support you? Can you expect support from such ladies who are organised, may be not militantly, but still organised and can give a start to this agitation against the army? If people say: "We cannot help you in your war efforts for an army which has no respect for our women", is there any wonder? What necessity is there for us to make all these sacrifices? People are told: "Look at what happens in Hong Kong". Their hearts are bleeding for those in Hong Kong, but not for persons here. We are told: "Look how the women were ill-treated and molested in Hong Kong." But here, no. Unless regular Hong Kongs happen everywhere in every province in India, I suppose no notice will be taken of such molestation. In Poona the desire to enlist in the army was so strong that one gentleman, a lieutenant in the air force had appealed to the ladies to join the air force and learn how to fly planes; but with this treatment what response can you expect? What response can you expect from anybody?

Having said this, I will now come to the other subject, which is agriculture. I suppose I have said so much about raw cotton and short staple cotton that I have a sort of feeling that I ought not to speak any more because it seems to me that it has jarred on the nerves of people. But now I speak about the agriculturists in general. In this year I find a very short amount—in 1941-42—Rs. 25 lakhs, if I am not wrong, for the benefit of the cotton growers. I am speaking now for all cotton growers. How will this money be spent? There is no indication. As a matter of fact I should have liked very much an indication and I hope the matter will be explained to me, because I am not going to worry the Government Benches on too many points or hop from one subject to the other. My subjects are army and agriculturists. I hope the matter will be explained to me as to how this amount of Rs. 25 lakhs is meant to relieve the cotton growers all over India, how this petty amount in these days of distress going to give them relief—it may all be very well for the Finance Member to say that the level of prices has gone up—I say the prices of cotton have gone down and has been going down since 1931. Now they have gone down considerably. Then, how is this amount of 25 lakhs going to benefit the population of agriculturists, which is 75 per cent. of the whole population? How is it going to benefit them?

**The Honourable Sir Jeremy Raisman:** Which is this figure of Rs. 25 lakhs? On what page is it?

**Mr. Govind V. Deshmukh:** It is given in the Demands under the Heading Agriculture; 25 lakhs in 1941-42, for the benefit of cotton growers, and two crores for 1942-48.

**The Honourable Sir Jeremy Raisman:** This is a distribution of the sum between two years; could you refer me to the page?

**Mr. Govind V. Deshmukh:** I have not brought the demand book—I did not know that I would get this opportunity; but you can find it under the head Agriculture; it is mentioned as 25 lakhs in 1941-42 and two

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crores in 1942-43, and there is no explanation in any of them as to how this 25 lakhs will benefit the agriculturist, in what way, and on whom the money will be spent, and in respect of what things the agriculturist will benefit. Then as regards the two crores, there is no scheme disclosed here. People are waiting and will be waiting. The responsibility on the Government is very heavy, after having made this declaration on the floor of this House that we will look to the interests of the cotton growers. It is not only once or twice you said: "Do not get panicky; reserve your stock; we will purchase it." That was the promise given on the floor of this House, and it is a miserable thing, a pitiable thing, to find that after those promises were made so much time is taken. If you wish to save the agriculturist, something should be done before the end of March, before the new financial year sets in and government starts collecting, at least in my province, the second *kist* of the rent or revenue. That will be a time when the agriculturist will be hard pressed. They will be compelled to sell everything that they have, and there will be nothing left for them to cultivate their fields . . .

**The Honourable Mr. M. S. Aney:** According to you, how much cotton have the cotton growers actually have in their stock now?

**Mr. Govind V. Deshmukh:** I had given this information in a former statement to the House. I have not brought the information today, I am speaking generally about all parts of India. Do you think this will benefit 75 per cent. of the population?

**An Honourable Member:** A duty on cotton has been imposed.

**Mr. Govind V. Deshmukh:** What is the sense in your saying that you have imposed a duty. Is it any satisfaction to me if you merely say that you have imposed a duty on cotton? If that is all that you are going to spend, then what are you giving them. It is better that such things should not be stated. If my friend is affected by income-tax, he uses all possible means to start an agitation, he has the powerful press at his command, but what can the poor agriculturist do? Do you think that by merely imposing this duty, from which you hope to get two crores, the Government are doing any material good to the poor agriculturist? What is the sense in saying that this duty has been imposed and consoling me with it? Surely, if my friend thinks that this sum of two crores will solve the problem, then it is a hopeless problem indeed. . .

**The Honourable Sir Jeremy Raisman:** If this sum of two crores is going to make no impression on this problem, then it is a hopeless problem for anybody to tackle.

**Mr. Govind V. Deshmukh:** If that is all that the agriculturists will get, it may be a hopeless problem from your point of view, but merely saying hopeless will not save the agriculturist. It may be a hopeless problem. War is a hopeless problem. When you wish to collect money to fight the war, you are resourceful, you tax everything, and you won't say it is hopeless. Hopelessness, Sir, is not in my dictionary.

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



I am making it hopeful to get more funds. . . .

**The Honourable Sir Jeremy Raisman:** . . . . He thought that the use of two crores was of no avail.

**Mr. Govind V. Deshmukh:** It was not a question of hopelessness. I want you to exert yourself. I merely said that these two crores was not going to help the agriculturists sufficiently. To say that this is not going to help them sufficiently is not tantamount to my showing helplessness. I merely say that it is the despair of the Government that they cannot raise sufficient money. They should have the courage, they should show enough resourcefulness to collect more funds. . . . .

**Sir Cowasji Jehangir:** I don't want to repeat, but how is it going to make anybody uncomfortable in his chair? Are you now pleading for growers of short staple cotton or for anybody else?

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

**Sir Cowasji Jehangir:** Do you suggest that these two crores which will be obtained very soon will give no relief?

**Mr. Govind V. Deshmukh:** I did not say that it would not give any relief—I said it would practically mean no relief. . . .

**Sir Cowasji Jehangir:** What I want to know. . . .

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

**Mr. Govind V. Deshmukh:** If a person is hungry, if he requires ten loaves, and if you give him only a crumb, is that going to satisfy his hunger? It will mean nothing to him. I am pleading here not merely for short staple cotton growers but also for growers of medium staple cotton also. Now, the main difficulty in the way of cotton growers is the transport difficulty. If the agriculturist is not in a position to transport his goods to the place where the cotton can be sold. . . .

(Interruption.)

I am myself an agriculturist. I come from a province which is mostly agricultural. I have forwarded complaints, not personally, but through other agencies, to the Communications Department about all these matters, but no satisfactory reply has been given so far. I have had several letters. I shall not take up the time of the House by reading all those long letters. But here is a letter sent to me by a congressman M. L. A. who has gone all over the province, and he complains against the Government which is now functioning in our province. As a matter of fact I have said not once, but twice or thrice that no greater blunder could have been committed by the members of the Congress Party at this critical hour when the interests of the agriculturists were adversely affected, than they should have resigned from the office and left the agriculturists who had sent them to the polls in the lurch and continued the ban on this Assembly too. Sir, everybody has benefited by the war except the agriculturists. Everybody has benefited, the unemployed have got

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fat jobs, those who wanted allowances have got them, the millowners have got plenty of work and they have made good profits, but what is the position of the poor agriculturists? Nothing.

**An Honourable Member:** The price of wheat has gone up.

**Mr. Govind V. Deshmukh:** But what are the causes for it? Wheat has gone underground. You yourself said so. The price of wheat has gone up not because of any natural causes, but because the wheat has gone underground. Now, Sir, I shall merely read portions of the letter I referred to, because the writer has made complaints about lack of transport facilities for transporting cotton. This is what he says:

"It is necessary to point out that the present arrangement does not lead to any fair distribution of wagons to the cotton and cotton seed growers or dealers, which is most essential. On the contrary, there is a wide scope for individuals to secure wagons through unfair means. Competition in obtaining wagons encourages the inclination to bribe the railway authorities for the purpose, and the result is that a number of petty dealers or simple folks fall out of the picture to the detriment of their legitimate interests in the transport of their goods. It would be most proper for the Government to take the local cotton committees into their confidence as these committees can very well arrange the distribution of wagons according to the proportion of the stock owned by individual dealers and recorded in their registers. This will eliminate the unfair competition going on in the market for securing wagons and will also stop individuals from taking undue advantage at the expense of their fellow dealers by arranging the transport of goods from two or more railway stations which is possible under the present arrangement."

The writer of this letter then makes a suggestion, and I hope note will be taken of this—that the local cotton committee should be taken into confidence and consulted, because those committees can very well arrange the distribution of wagons.

"This will eliminate the unfair competition going on in the market for securing wagons and will also stop individuals from taking undue advantage at the expense of their fellow dealers by arranging the transport of goods from two or more railway stations which is possible under the present arrangement. Government should, therefore, arrange the supply of wagons in the name of individual dealers as recommended by the . . ."

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member cannot read such long extracts.

**Mr. Govind V. Deshmukh:** No, Sir. A very short extract. I have finished. This is a complaint about the transport of cotton. As I said, the subject matter is the help that is to be extended to the agriculturist, I do not merely confine myself to short staple cotton.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member has talked about it several times.

**Mr. Govind V. Deshmukh:** I have wound up the short staple cotton business, I was saying something about the medium staple cotton, the difficulty they have in transporting this staple or any other staple cotton. Even this medium staple, or it may be it is very nearly bordering on the long staple—it cannot be transported; it does not fetch any price on the spot because of this. On the spot there is nobody to buy, and there are no wagons to transport these things, and the result is prices must go down. Therefore, whether it is a question of short staple or

medium staple or long staple, the question of transport is there and has to be faced if the Government will keep its promise of relieving the agriculturist.

Having disposed of short staple and long staple cotton, I will come to *til* and linseed transportation and the very low prices which they are now therefore fetching. After detailing the various circumstances which have led to the miserable and pitiable condition of the agriculturist, the same Congress M.L.A. writes to me:

"It is a matter of common knowledge that the output of *til* and linseeds in this province is considerable and it is gratifying to note that the produce of tilseed has been larger this year as compared to previous years. Agriculturists should have reaped a substantial fortune out of the sale of this produce and should have helped themselves in facing the hardships caused due to war conditions. It would have added a few coins in their almost empty purse. But that is not to be. *Til* and linseeds have a market outside this province and unless they are exported to marketing centres in other provinces they will pay a little to their growers in this province. This can only happen if transport facilities are available even as they have been made available in the case of cotton and cotton seed. The difficulties confronting the railway authorities in the matter are understandable and it is also our earnest desire that the public should not make a great demand on the authorities for transport facilities. It is, however, most reasonable for the public to ask what sort of facilities for the transport of . . ."

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

**Mr. Govind V. Deshmukh**: Now I was reading from a newspaper.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member cannot do that. He must make his own speech.

**Mr. Govind V. Deshmukh**: I am supplementing . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member cannot supplement it by reading out what is written in a newspaper.

**Mr. Govind V. Deshmukh**: It appears to me that in my province the transport difficulties are such that the Central . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member has said that very often.

**Mr. Govind V. Deshmukh**: I have not specifically mentioned about *til* and linseed. I am speaking about transport difficulties regarding *til* and linseed, when, as a matter of fact, I find there is a market for the same. When I find that the Central Government is intending to purchase or thinking of purchasing *til* and linseed, these people in my province naturally think that Government will so arrange the transport that there will be relief conveyed to them and that they will not be left to their own fate and that things will not be allowed to take their own course. If the transport department cannot act in co-operation with the agricultural department or the Commerce Department, there is very little hope for the agriculturist in my province, or, for that matter, in any province in India. These two Departments have to co-operate with each other and render such help and assistance as is possible for them to do. I do think they have ample resources to extend this help.

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I wished to deal mainly with the army and the agriculturist, and I have dealt with them. I shall say a few words on other topics. We have been told that the deficit in the budget is due to the expenditure on the army. I do not grudge it. I support it. I had urged for years past that a long range policy should be adopted with regard to the army. As a matter of fact, I was not the only person who started it since 1939. The congressmen who were coming and speaking from those empty benches in the year 1937-38 urged the same, and reminded the Government of the danger from the East, from Japan. But the Government said, no air force shall be expanded, no expansion so far as Indian Officers were concerned. We asked them questions or dealt with the matter in our speeches. We got very little help. If we did not find a ready response, we did not have the same response as we ought to have had, it is due to the policy of the Government. May I make a suggestion for reducing the expenditure on the army and for ensuring a proper response for the army that you want in large numbers, as officers, as doctors and so on? If you want to save expenditure,—when I say that you are spending money in paying persons who are serving in the army as Indian soldiers or Indian officers—and here let me say I do not appreciate the remarks of such persons who say that these are mercenaries. I fling back the remark in the face of those who utter that those Indians who are serving in the army are merely mercenaries. They must take into consideration that countries which have to fight for their own safety, for their own life,—those countries pay their soldiers, their officers. When in such countries where there is a patriotic impulse to defend their own country, the men receive salaries, men receive all sorts of temptations, not only that, but there is conscription,—then it is very wrong to say that Indians who have joined the army and are serving as officers are mercenaries. Today the difficulty of getting the necessary officers for the various Departments and activities of the army is because very likely there are no amenities granted which the Indian officers or soldiers consider as proper and particularly so when compared with British officers.

Without stopping to enquire into that thing, I will say this much that, if you were to democratise this army, if you were to appeal to the people, if you were to say to them, this is what we are going to do, we will elevate India to that self-governing status which Great Britain enjoys today, or any self-governing Dominion enjoys today,—if you were to say that, there would be such a response that the Defence Department will not have to spend so much money as they are doing today and no temptations and no more amenities would be required. Remember this. There are men not only in the Congress but also outside the Congress who have made sacrifices and they are capable of making more sacrifices, at the cost of amenities and comforts. They can join the army. They can come forward and bring their own men to join the army. If as I said in the very beginning, Government make such a declaration and follow the policy which is embodied in that declaration, namely, that today we are going to elevate India to the status of Australia and other Dominions, where the Ministers decide their own destiny, then I have not the least doubt, that there will be a very quick response. If Sir Stafford Cripps is merely conferring with certain persons and goes back without disclosing what is going to happen, it is not likely to have any effect. If the declaration I have indicated is made, I can entertain

the same belief that the Honourable the Finance Member entertains. It would have been good for him if he had started with this belief when he assumed office but the circumstances were such that he could not express then the belief that he has expressed now. These are his words:

"It is also my belief that, come what may, India will again be seen to possess vast reserves of faith and fortitude, that her people will prove themselves worthy members of that great brotherhood which includes, besides the British Commonwealth of Nations and the mighty American Confederation, the undaunted millions of China and of Russia, and that hand in hand with them she will move forward to the victorious dawn of a new world."

As I said in the very beginning we have very bitter experiences of the past, as to how we were treated in this brotherhood of nations—particularly the British Commonwealth of Nations. Fortunately, circumstances have so changed that India is now side by side with the American Confederation and the undaunted millions of China and Russia. The undaunted millions of China belong to the coloured races. The undaunted millions of China were exploited before this war began and Russia was contemptuously treated till it became an ally. All these allies will now move to the victorious dawn of a new world. This is a great belief but the Government must show by their action that there are indications which will lead us to this victorious dawn of a new world. My friend, Mr. Jamnadas Mehta, has made an appeal to Government to improve matters. Let us have solid actions from which we can draw the conclusion that the Government intend to take us to that victorious dawn. Then we will move hand in hand with the millions of China and Russia in that glorious path which will lead us to that victorious dawn. We must be sure that all men will be treated as equals, irrespective of differences of colour, or caste, or creed. There should be no betrayal of our cause when we sit round a table again to frame the new order of things as there was in 1919.

**Mr. Muhammad Nauman:** The discussion on the Finance Bill provides an opportunity to representatives of the people to ventilate their grievances in general and this has been the practice in all the legislatures which have got a democratic constitution. This has been the convention in this House also, with this difference that we only represent things, just with a pious wish that the Government may take into consideration the opinions of the representatives of the people so expressed. In other parts of the world, where they have their own responsible government, the representatives of the people can compel those in charge of the Government to care for the representations which they make and the grievances which they put forward on behalf of the people as the sovereignty lies in the people but here the irresponsible executive would not take into consideration whatever we may say here. Government members have not built up even a convention or tradition that the grievances that we put forward would carry any great weight with the Government on matters which require their decisions. This being the background of the representations that I am going to make, I would just like to make a few remarks as to how we look at the Finance Bill and the proposals that have been put forward, without of course expecting from Government to get that modification or alteration of figures and that change in the method of taxation which we should have liked to see if we had any real power. Unfortunately, when my friend, Sir Abdul Halim Ghuznavi, was speaking only an hour before he made certain references to certain individual officers and their

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deeds and mis-deeds which was resented to by the Government on the ground that those officers were not present here to reply to the charges alleged. We believe that when we represent cases of atrocities or hardships in some Department the Government members, who sit here as the responsible representatives of that Department, should give a reply and say that they will make an inquiry into those facts and find out whether the Honourable Members are indulging in stories or there is any truth in the statement that is being made before this House. If we do not give specific cases, then the Government says that we are making vague statements and they do not know whether they should inquire into the matter or not. But when we mention a definite case by name, the Government comes forward and says: "Well, the Honourable Member is making personal remarks against individuals who are not in the House to defend themselves." I do not know what we can do then.

I now come, Sir, to the Finance Bill itself and the proposals contained therein. We have grievances against the Government but I can not enumerate them. I made it clear in my speech at the time of the general discussion of the budget that the incidence of taxation is going to fall on the shoulders of the weaker and poorer section. The Honourable Sir Jeremy Raisman made a point at that time of his reply by saying that the incidence of taxation by reducing the limit from Rs. 2,000 to Rs. 1,000 will not be a hardship on the middle class people. He thinks that he has already exhausted the resources of taxing the higher and the rich class of people. I want to say only one word about this. This budget is prepared under war conditions. May I ask who stands to lose the most? Certainly those persons stand to lose the most who have the highest stake in the country either in the shape of capital or property, the richer he is the worse he feels in this crisis. Speaking individually, my anxiety to see that the British win the war is certainly greater than of that person who is below me and who has nothing much to lose or who only has his life at stake and nothing else. It was with this object that I said that the incidence of taxation has to fall on the shoulders of those who belong to the section of the capitalists. Then, there is another fact which I would like to place before the House. If there is any profitable business which is being done, it is being done by these capitalists either through the Supply Department or by hoarding the stocks of silver, wheat or gold or whatever else it may be. It is they only who can take advantage of the present position and who want that Allies should win this war at any cost. They have far more to lose than the labourer whose stake is only his own life and nothing else. An Urdu poet has nicely described the position of a poor man in these words:

*"Raha khatka na chori ka, dua deta hun rahzan ko."*

Translation is: A poor can well say that he has nothing to fear of the thief (because he has nothing left to be stolen) and he thanks the robber (for having reduced him to this state).

Sir, I spoke with full sympathy on the budget. I did say that I did not mean that money has not got to be found. Money has got to be found. Even 183 crores is not enough. We may be asked to give away our half of the assets. What I still maintain is that you should try to make your budget in a way which should touch the smaller people only as a last resort.

Then, there is another proposal which I resented. It is about the kerosene oil. Now, kerosene oil is not a conventional necessity but it is

an absolute necessity and it cannot be avoided even by the poorest villager or the tiller of the soil. I am not trying to impress on the House that you have wrongly taxed petrol. I am not even trying to object to your proposal to increase the price of the envelope from five pice to six pice but I would certainly say that if there was a possibility of reducing the price of the postcard, you ought to have done that. What I do say is this that in a country like India where poverty is writ large everywhere, you have got to take into serious consideration the fact that you do not tax the poor man, the labourer and even that section of the middle class people who are some how managing just to exist. Nowadays, prices of all commodities have gone up. As I explained the other day when I was speaking on wheat, the price of this staple food has gone up by 300 per cent. within about three years. Before the war, wheat was being sold at the rate of 15 seers to a rupee and it cannot be had now even at the rate of five seers to a rupee. We know what is the position of wheat in Bihar and in other parts of the country. Even in Delhi, wheat is not available in any appreciable quantity. With these conditions raging in the country, I certainly feel that the incidence of taxation will be a great hardship on those people whose income is about Rs. 100 to Rs. 150 a month. My friend, the Honourable the Finance Member, may not agree with me and we on this side of the House have got no power to make him agree to this. But I would still stress the point that the matter has not received that much attention that it deserved. Now, Sir, I do not want to say anything more on the budgetary side of the proposals.

I now come to a few of the grievances. Neither have I the time nor the desire to enumerate each one of them. I would  
 4 P.M. like to mention only one grievance about which we have a very strong feeling. It is the question of the recognition of the Muslim labour unions. We have been stressing this point in this House for the last six or seven years and nothing has been done so far. Deaf ears are turned on it and the plea that is always put forward is that the conditions of services will be worsened. The Government of India have accepted the position that Musalmans are a separate nation by giving us separate electorates and separate existence in every Legislature, and in every elected House and in various organisations, like those of the District Boards and Municipalities. I do not know why they are shy of recognising Muslim labour unions which are based on the very same principle that the Muslims stand in all other activities of life. Why do you not accept that principle here? I do not know why Government should think that bitterness will be increased or the conditions of their services will deteriorate. If they agree that they are all the servants of the State, whether they belong to the Railways or the Secretariat or any other organisation, then they have got to give them the same terms of employment and the privileges of common interest. Are we not in this House voting together irrespective of our caste or creed? Are we not here deciding matters on one and the same line? So, why should you refuse the recognition of certain unions? Besides, what do you lose by recognising them? Have you got a limit that so many in number only can be recognised and that you would not recognise any more?

Supposing in every railway line, say a particular line like the East Indian Railway, you have already got established two Unions, do you mean to tell us that you will not have a third Union or do you mean to suggest that you will not have it for your own fancy's sake? That is one of the grievances which has been represented on behalf of representatives

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of 100 million Muslims of India and we have not been able to make you budge an inch. Even in such innocent matters which do not entail any constitutional difficulty and which do not entail constitutional sanction from the Secretary of State for India, the Government say, "nothing doing, we will go our own way." Government members only say that we have decided that we will not do so, so you will have to accept the position as it is. This is one of the long standing grievances and I would ask the Government to give serious consideration to this question at this stage at least and feel that we are very strong in our demands and unless the Government concede this today, probably things will not go on as nicely as Government would like to have.

Now, Sir, I want to say a few words about the discrimination policy of Europeans. My Honourable friend, Mr. Deshmukh, made a reference with regard to European superiority complex and particularly about the Australians not treating us even as human beings. My Honourable friend, Mr. Ramsay Scott, interrupted him and said that that was not correct. I am sorry my Honourable friend, Mr. Scott, is not in his seat, probably he is not in the know of things himself. I know it that Australians would rather like to have lands vacant, uncultivated and barren than allow any Indian to settle down there. Not only that, Sir. Even in business they have been showing discrimination as much as is in their power to do. I have been doing some business with some Australian firms, Scarlet Brothers of Melbourne and some other firms. They made it a condition precedent with me that I should have a European manager to look after my business and only then they were prepared to negotiate business with me. I have got hundreds of telegrams in my file in which they said, "*native mills barred*," we cannot ship corn sack or other kind of Jute bage made by an Indian mill or bought through Indian Merchants. That is the limit of prejudice. That is the position which has really been responsible for the discontent in this land. My Honourable friend, Mr. Chapman-Mortimer, may not like my plain speaking, but truth remains. They are responsible for all the commercial exploitation which has been carried on in this country for a long time past. We feel that the advantages which they get from this country are far more than we can secure. \*If an Indian merchant goes to a Bank like the Chartered Bank and if at the same time a European goes to the same Bank, and if certain facilities of the same type are asked for by each of them, the Indian inspite of possessing a hundred times more assets than the European, and even hundred times more prestige in this country, whereas the European may have only a hand bag of leather and just a suit that he may be wearing, the European will get better facilities from this Bank than the Indian merchant can ever think of.

**Mr. T. Chapman-Mortimer** (Bengal: European): How do you know?

**Mr. Muhammad Nauman:** I can give you many instances, I am associated with the Calcutta Chambers of Commerce for the past 20 years; I am the President of a few Commercial organisations. I know how the Europeans behave with Members of Indian mercantile community. I have personally not much grouse, but I know how they have been dealing with all others. That is the sort of discrimination they show.



I was very much amused at the remark of Mr. Griffiths yesterday about Sir Stafford Cripps' visit to India. I have myself seen the quotation from the *Evening Standard* of London which says that it is "a dramatic stroke which Mr. Churchill has taken." Mr. Griffiths was trying to tell us that we should trust in them and that the mistrust should go out. He has not probably realised that confidence begets confidence. It is for the Government first to create confidence in us and it is not for us, slaves as we are, to take the initiative. The Government are the best judge. This is how they have taken us into confidence in the administration of the country. Even in this difficult times when we are facing a crisis in the war, the Government do not want to take us into confidence. We have never tried to say for one moment that we are not quite prepared to do all we can for the successful prosecution of the war. But all the same we have not been associated with war efforts as yet with any real power. Of course, my Leader, Mr. Jinnah and the Muslim League Working Committee, have made our demand clear which I do not want to reiterate at all. You will see, Sir, that our demands have been absolutely modest. We never asked the Government to create any constitutional change immediately. Therefore, it will be seen that it is not we who are responsible for any mistrust, but it is the Government who are responsible and it is for the Government to create that confidence and I assure the Government that our efforts will be with the Government.

**Mr. K. C. Neogy** (Dacca Division: Non-Muhammadan Rural): Sir, I was not in the House when the Honourable the Finance Member made his budget speech, and I cannot, therefore, have any genuine regret that he is not in his seat when I make my speech. But following the precedent of most of the Honourable Members who have spoken already, I shall try to steer clear of the budget proposals so that he will not miss anything very much in which he may be interested.

Sir, I read the Honourable Member's budget speech while sojourning in a village in my part of the country, and when I read some of the expressions, some of the sentiments expressed by him, I simply rubbed my eyes. For instance, he referred to the expansion of the national income due to the war—growing incomes and increased opportunities—for employment. Then, again, he said, large numbers in India today find themselves in possession of an enhanced spending power. Coupled with all these was his proposal to restrict some amount of the enhanced volume of purchasing power from these fortunate people. But although I moved from place to place visiting a few cities and villages, I could not, with the utmost effort, find out the class of people to whom he was referring in these expressions. Then, I came to the conclusion that perhaps the Honourable Member considers that New Delhi is real India, because I concede that when you go about the streets of New Delhi and you visit the purlieus of the Honourable the Supply Member's Department, you may come across opulent people, you do see signs of prosperity all round. Even in this Chamber, you sit on very comfortable benches with a whole array of glittering *chaprasis* in the background, meant perhaps to enliven the atmosphere. All this really helps to create an illusion that there is a general growing prosperity in the country which justifies further and further taxation. Sir, it is not my intention to challenge the budget proposals in their entirety, nor is it my intention to be very meticulous in the examination of the various taxation proposals. We do recognise that these are extraordinary times and that this is a war budget. We are going to have an

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opportunity, at a later stage, of the discussion of this Bill, to put forward our suggestions regarding certain modifications of the taxation proposals; and I reserve my observations for that occasion in regard to the details of the measure.

As I said, I had occasion, very recently, to visit a few places in my part of the country, and I can give my Honourable friend the assurance that there is a general determination to support Government in the war effort provided, of course, that people are assured that all the steps that are necessary to be taken for the purpose of winning the war are being or will be taken. I am not going to deliver a political speech on this occasion, because I cannot add much to what has already been said by some of my Honourable friends on the subject with most of which I agree. But I will take up a few vital problems of the "home front" to which reference was made this morning by my Honourable friend, Sir Frederick James. He enumerated the following as vital problems of the home front: production, transport, food and civil defence. And it seemed to me from the observations that he made that he is not quite satisfied with all that is being done with regard to any of these matters. He placed food as the third item in the list; to my mind that deserves to be given the first place, because unless the people in general are fed, the less you think about winning the war the better. Even production of war materials should come next. My Honourable friend, Sir Frederick James, did not deal with this point at length, because he said that it had already been discussed in connection with a Motion of Adjournment the other day when the Commerce Member made a statement explaining the situation and the action which Government had been taking to grapple with it. Now it seems to me that Government are of opinion that a judicious administration of the Defence of India Act may serve to feed the people because the Government case, as far as I could judge it, was that you have merely to get the hoarded **stocks of wheat** out from the clutches of designing capitalists to be able to feed your population. From the little study that I have made of the subject it seems to me that the evil is very much more deep-rooted, because I maintain that the food crops that this country produces are not sufficient for feeding her teeming millions. It is a very unfortunate fact that no systematic survey has yet been made to find out what are the minimum human requirements by way of supply of food materials for this country. We take certain things for granted; certain crops are being grown; some stocks of food grains are being exported and we are importing some food grains ourselves from outside. And nobody seems to worry as to the exact position in regard to the sufficiency or otherwise of the food that is produced in the country.

Just after the last great war, due to the maintenance of a ruinous export policy, a very serious situation arose and there was a very severe shortage of food grains in the country. Those were days when India was made to undertake large commitments of supply of food-grains for the benefit of Europe and other countries. But I do not desire to go into the details of the transactions of that period. That occasion was taken by some non-official economists to study the question as to whether or not the food-grains produced in the country were adequate for meeting the minimum human needs of India's population. I took some amount of interest in the study of this question, and as a matter of fact I had to give evidence on behalf of a public Association before a committee that was

appointed by the Government of Bengal to examine the high prices of food-grains that then prevailed. And in the course of my studies I came to know that a comprehensive survey was actually ordered during the Viceroyalty of Lord Curzon with the object of finding out how India stood with regard to her supply of foodstuffs. I came to learn that the result of the inquiry was so disappointing to his Lordship that under his personal orders the entire report had to be shelved. The matter has been left there; it has not been taken up for further investigation, although we have had numerous committees and various expert bodies to deal with questions of agriculture, marketing and so forth. We are yet continuing in that complacent frame of mind that nothing perhaps is essentially wrong in this matter. I took the trouble of examining some of the statistical publications that are available to us and I came to the conclusion, which was the conclusion at which I arrived in 1920, in agreement with certain students of economics, that the food-grains normally produced in India, are not sufficient to cope with the demand of her domestic consumption. The official theory has all along been that of the total quantity of food-grains produced in this country part goes into current consumption and part is kept in stock for the purpose of seed and as reserve. These two parts between them, according to the official estimate, constitute the internal requirements, and the surplus that remains is exported. In times of scarcity, continues this official statement, the country falls back on its reserve stock and on the safety margin afforded by the surplus ordinarily exported. This theory proceeds on the assumption that normally the food-grains produced in the country are not merely sufficient to meet the annual demands of the people but that there is actually a reserve stock which comes in very handy for the purpose of meeting the demands of the people in any emergency. But, Sir, if you study the statistics of production and of export and import of the different food-grains for a sufficiently long period you at once realize that the theory has absolutely no foundation of any substance. According to an estimate that was made in 1920 in a *Journal of Economics*, 50 million tons of food-grains constitute India's minimum requirements for human consumption alone and 15 million tons more are required for purposes of seed and cattle feed. Now, a reference to the statistical publications would show that we seldom even produce this aggregate amount of 65 million tons between rice, wheat, barley, jowar, maize and gram. But I gave this figure of 65 million tons for the period 1920, and when we come to consider the progress, if any, that has been made in this matter ever since during the last 20 years and also take into account the progress in population during these twenty years we find that, if anything, the situation has deteriorated.

Now, I should like to take rice and wheat, being the principal among the food grains, for purposes of our examination. We find that total acreage of these two cereals averaged at about 99 million during the quinquennial period 1920-21 to 1924-25 and the average annual yield during this period totalled about 35½ million tons. During the next quinquennial period, namely, that ending with 1930-31, the acreage increased to a little more than 104 millions between these two grains—rice and wheat—whereas the yield stood at 36 million tons. In the next succeeding quinquennial period the acreage was 107 millions with a yield of 36 million tons between rice and wheat. If we take the census figures for the last three decades we find that there was an increase of 10·6 per cent in population between 1921 and 1931 and 15 per cent between 1931 and 1941, but the increase in respect of the outturn of rice and wheat, to which I have

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already referred, represents an increase of 2.33 per cent, in 1931 over 1921 in point of yield and hardly one per cent between 1931 and 1941. The increase in acreage between 1921 and 1931 has been 5.2 per cent and between 1931 and 1941 only 2.9 per cent. If the corresponding figures for the other food grains which occupy a minor position were examined, no great improvement in the situation would be seen. If we will now compare the yield per acre of these two food-grains, it would be seen that there again there has been no appreciable improvement ever since 1910 in spite of the activities of the various scientific bodies that have been established for the purpose of improving the outturn of these products. The shortage which was noticed on the basis of figures available in 1920 may be said not merely to continue but to have been aggravated by reason of the steady increase in population which has not at all been accompanied by anything like equally progressive increase in the production of the food grains.

Now, Sir, rice is by far the largest single crop grown in India and represents about 36 per cent of the entire acreage under food crops in this country. It is significant, however, that India is obliged to import rice on a large scale to supplement her domestic supplies even in a year of bumper harvest. It is, for instance, not unusual for India to import  $1\frac{1}{4}$  million tons in a year on an average while in certain years the import figure has exceeded even  $2\frac{1}{4}$  millions. As observed in the Marketing Survey Report on rice, our annual imports of rice are valued at Rs. 14 crores, whereas our exports are valued at about  $2\frac{1}{4}$  crores which leaves a net import valued at over 12 crores annually. Now, Sir, most of these imports of rice used to come from Burma and the loss of this source of supply will affect the food position of India very seriously. Imports of Burmese rice increased from 12,67,000 tons in 1937-38 to 14,75,000 tons in 1938-39 against an average of 7,00,000 tons in the period following the last great war. Sir, the partial dependence of Ceylon on India for her rice supplies has made the situation worse and although our sympathies go out to Ceylon in her present difficulty, I, for myself, do not see how any rice can safely be exported to Ceylon from India. I do not know what assurance the representative of Ceylon Government got from the hands of the Government of India in this matter.

While dealing with rice, I think it is necessary to refer to the fact that jute as a commercial crop partly competes with rice for acreage in the rice producing provinces of Bengal, Bihar, Orissa and Assam. The total acreage of jute in these four provinces stood at 56,69,000 in 1940-41. It has shrunk to 31,20,000 acres in 1941-42 representing virtually 49 per cent of the acreage in 1940-41, about 51 per cent having been knocked out. It may be presumed that the decrease in the acreage of jute has taken place mostly in Bengal due to Government action in the restriction of jute cultivation. A report is prevalent in Bengal that for the next year a substantially increased acreage is going to be fixed. Indeed, a definite statement to that effect appeared a few days ago in a Bengal Journal, and I find that as late as the 10th of March this question came up for discussion in the Bengal Legislative Assembly, and I do not make any apology to the House for reading out just a few extracts from the statement which the Chief Minister of Bengal made on that occasion. He said:

"Many of us have been of the opinion that the acreage should be shortened."

That shows that he is alive to the public opinion that we had better devote greater attention to rice than to jute. Of course, the problem of jute prices is also rather an important factor. But I do not want to go into that question, because it is not relevant to the present discussion. Now, what follows is really very important, because it refers to certain opinion held by the Government of India in regard to this matter. The Chief Minister after stating that "many of us have been of the opinion that the acreage should be shortened", stated:

"It so happened that the Commerce Member of the Government of India paid a visit to Calcutta. We were in conference with him, and he assured us that from information received he was quite satisfied that the demand for raw jute would be of a considerable character and that the United States had given assurances that they would be able to absorb raw jute even if the whole acreage was utilised. Now, the Government of India have assured us that so far the demand is concerned there will be no shortage at all. The only matter for apprehension was whether there would be transport facilities."

Then, the Chief Minister continued:

"At the same time they (the Government of India) have assured us that if for any reason the price fell beyond a certain limit they will come to our rescue and help us to the utmost possible limit. Of course, we can on our own responsibility now shorten the acreage."

That shows it is not his own independent inclination.

"But if, having done that, in spite of the advice of the Government of India, prices fell we will not be able to ask the Government of India to help us."

So he says, when the Government of India advise us to increase the acreage of jute it is coupled with the assurance that if prices fell they would compensate the growers; if therefore we were to go in for a shrinkage in the acreage and if even then the prices fell, we would have no claim on the Government of India for compensation. Therefore, although we are of the opinion that the acreage of jute should be reduced, in view of the Government of India's promise of help in the event of prices falling, the Government of Bengal evidently is prepared to reconsider the matter. Now, we know that a campaign has just been started under the auspices of the Department of Education, Health and Lands for increasing the cultivation of food crops. Produce More Food campaign they call it, and it has been started as a result of certain discussions of the Advisory Committee attached to the Imperial Council of Agricultural Research. I really wonder whether two departments of the Government of India are not working at cross purposes. Here we find the Honourable the Commerce Member trying to influence the decision of the Government of Bengal in favour of an increase of acreage under jute, which would necessarily affect the acreage under rice. We have on the other hand the Education, Health and Lands Department going in for a strong campaign in favour of larger production of food grains . . . .

**The Honourable Sir Jeremy Raisman:** Has the Honourable Member taken into account the difference of time—the time interval between those two and the events which have happened in the interval?

**Mr. K. O. Neogy:** I have no idea of the time when this happened; but I read out the proceedings of the Bengal Council dated the 10 March.

**The Honourable Sir Jeremy Raisman:** The discussions of the Government to which these relate were before the attack on Burma, before the rice problem became anything like as acute as it is now.

**Mr. K. C. Neogy:** I am very glad that my Honourable friend has put the Government point of view in this matter, because I take it that the Government view in regard to the question of jute acreage has been reconsidered in the light of more recent events. I apologise to the House for taking up so much time and introducing rather a humdrum subject after the exciting speeches that have been made already.

Let us turn to wheat. We find that between 1928-29 and 1931-32 India was a net importer of wheat, showing that during this period her wheat supplies were not sufficient for meeting the demands of her internal consumption. The position, however, improved in later years; but if we take rice and wheat together, India is still a deficit country in point of production which might satisfy the minimum requirements of her people; and although India has been exporting wheat for some years, the export figures are more or less dwindling due to different factors. I will take another test from the statistical survey. If we take the figures of the value of the imports and exports for the years 1938, 1939 and 1940, in respect of grain pulses and flour—because all these are lumped up in the Government publication—we see there were imports exceeding the exports to the extent of Rs. 2½ crores in 1938, Rs. 17 crores in 1939 and Rs. 11-1/5 crores in 1940. That also goes to confirm the proposition with which I started that India is a deficit country in point of production of food-grains. As I have already stated, a campaign has very recently been started for the purpose of speeding up the production of food crops, and my grievance is that in spite of the experience which we had during the last war, and in spite of the fact that this particular defect in our domestic economy was brought to light in connection with the inquiries that were undertaken by certain Provincial governments and also by way of discussions in the technical journals, nothing tangible has been done during the last 20 years to remedy this unsatisfactory state of affairs; and now, at the very last moment when our sources of supply across the seas have been cut off, we have awakened to the necessity of going in for an accelerated process of production of food. I would express the hope that the Government will not rest content till the production has been increased to the necessary extent so as to enable the demands of domestic consumption to be met from the production within the borders of India. There is no time to be lost now; and if the Government are really in earnest about the new policy we on our part could give them the assurance that they will have the most whole-hearted support from this side of the House in regard to this matter.

Now, coming to the problem of transport, my Honourable friend, Sir Frederick James, has generally dealt with the deficiencies in regard to this matter. I had occasion to deal with the question, particularly of the supply of railway wagons for coal when I spoke on the railway budget in the last week of February. From the reports that are to hand it does not seem to me that the situation has improved to any considerable extent, so far as the public supplies are concerned. The shortage of wagons and the mismanagement of the wagon position assumed such serious proportions that the Calcutta Corporation was about to go without the necessary coal supplies and there were angry discussions in the Calcutta Corporation a few days ago. The matter came up before the Legislative Assembly of Bengal on the 3rd of March, 1942, when in the course of the discussions the Honourable the Minister in charge of the subject dealing with this question expressed the helplessness of that Government in regard to any remedial measures that might be taken, and in the course of his speech,

I find that he made the following statement which requires some explanation from the Honourable the Member in charge of the Railways. This is what I am quoting from the press report of a speech:

"The position at present was (*stated the Minister in Bengal*) that it was not the price of coal that counted (*dealing with the high price of coal*) but it was the price of the price of the wagon. Whoever succeeded in unrestricted competition to pay for the wagon secured the coal."

I cannot understand what this really means. There is evidently . . .

**Some Honourable Members:** Palm oil.

**Mr. K. C. Neogy:** . . . a sort of auctioning taking place. However, I am very sorry that my friend, the Honourable the Member in charge of Railways, is not present on this occasion, but then if possible I should like an elucidation of this . . .

**The Honourable Sir Jeremy Raisman:** By whom was that statement made?

**Mr. K. C. Neogy:** It was made by the Honourable Minister, the Honourable Khan Bahadur Abdul Karim, who is the Minister in charge of the Department in Bengal, and I am quoting from a newspaper report of his speech. I do not take it upon myself to suggest that this necessarily implies any corruption on the part of the Railway Department. Nothing of the kind, but what I do say is that this does require an explanation.

Now, Sir, we humble householders who have to use coke as domestic fuel, know to our cost to what heights the price of coke shot up as a result of this shrinkage. I understand the position in regard to coke has ceased to a certain extent since this discussion took place. I do recognise that the question of distribution of wagons, according to the importance of the supply, is a very complicated one. We have a reduced supply of wagons at the present moment, and at the same time we have to satisfy the overriding requirements of the Supply Department. But then I want to draw the attention of the Honourable Member in charge to one fact that on the day, that is the 3rd March, 1942, when this discussion was taking place in the Bengal Legislative Assembly, there were not less than 600 wagons standing idle between the East Indian Railway and Bengal Nagpur Railway, and I will at once give the House my authority for this statement,—I had this information from the Indian Mining Federation of Calcutta, and I should like my friend, the Honourable Member in charge of Railways, to investigate this matter. How is it that in the face of repeated complaints in this House, a complaint which was voiced by me and others, and in the face of complaints that have appeared in the press everywhere, it was possible for as many as 600 wagons to stand idle on a single day?

Now, Sir, I do hope that the Honourable Member in charge of the Supply Department realises what it means even in regard to the supply for the manufacturing concerns which are turning out war materials. I daresay that my friend has been informed that 30 mills in Ahmedabad—I am reading out a newspaper report dated the 7th March, 1942—I am

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giving the purport of a Resolution passed by the Ahmedabad Municipality in which this fact appears:

"30 mills had already closed down night-shifts, and if the situation in regard to the coal supply did not improve, even dayshifts would have to be closed down."

This is what the Ahmedabad Municipality thought, and I daresay there are mills in Ahmedabad engaged in war work. But I will give my friend a specific case in which a firm engaged in the manufacture of war materials complains about this matter. I have been supplied with copies of correspondence that has passed between a firm called the Scientific Indian Glass Company, Ltd.,—the only concern in India that manufactures or has succeeded in manufacturing neutral glass, which is in great demand from the Medical Stores Department of the Government of India. Now, Sir, I am reading out an extract from a letter dated the 17th February from this firm addressed to the Director, Indian Medical Service, regarding coal and fuel oil:

"Dear Sir, Yesterday we have been compelled to send you a telegram reading as follows: 'Regret no coal and shortage of oil closing one furnace. We regret very much to trouble you in this matter, but, unfortunately, our supplies of coal are not coming in as per request, and at present we have absolutely no coal whatever'."

This letter is dated the 17th February. The other letter that I am reading out is dated the 5th March, addressed to the Director of Production, Office of the D. I. G., Indian Medical Service. Referring to a letter in which it was evidently stated that the Chief Mining Engineer of the Railway Board had been addressed in this matter,—the firm goes on to say:

"We know that the Chief Mining Engineer has allotted one wagon on the 11th February, but during the whole of January, we received no supplies whatever, and we had to close down one furnace. As regards the wagon allotted on the 11th February, we would like to point out to you that in spite of the priority given uptodate."

—that is to say they enjoy this priority certificate,—

"We have not received this wagon of coal. You will, therefore, see that merely issuing of a priority does not satisfy our requirements of coal. We understand that a further wagon has been allotted."

The wagon that was allotted on the 11th February had not reached them up to the 9th March when they made over the copy of this letter to me, and they are merely being informed about a further wagon . . .

**An Honourable Member:** I could give you a dozen letters like that.

**Mr. K. C. Neogy:** Even with regard to war production.

**Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official):** What do they make?

**Mr. K. C. Neogy:** The firm produces neutral glass for laboratory equipment, ampules and other things. This is the only firm which manufactures this type of glass in India, and this is their experience. It is not as if the general consumer alone is suffering,—the trade and industry in



general are also suffering, and even war production is suffering. Therefore, I say that this is a case which requires to be closely looked into by the Honourable Member in charge of the Railways.

Now, Sir, may I say just a few words in connection with the question of production of war-supplies to which reference was made by my friend, Sir Frederick James, and by several other speakers. I am very sorry I was not here in the House when Mr. Jenkins made a statement in regard to this question the other day, but I understand from the reports that have appeared that as many as 27 or so manufactories have been started as a result of the recommendations of what is known as the Roger Mission. What I attempted to find out, in the course of a few questions which I put a few days ago, was to what extent the recommendations made by the Roger Mission had been actually given effect to. I am prepared to admit that quite a lot of their recommendations are now being given effect to, but the points that really matter are whether, in regard to the recommendations that have been made and are being given effect to, there has been any material whittling down of the recommendations as a result of any decision or suggestion made by His Majesty's Government or otherwise. I should further like to know whether any of the important recommendations of the Roger Mission have been totally rejected, and, if so, I should like to know more about that matter. I daresay my Honourable friend, the Member in charge, has seen in the newspapers certain comments that have very recently appeared in the *Daily Herald* of London in regard to the question of munitions production in India. It is an article from its foreign Editor, Mr. Towler, and, with your permission, I will read out a very small extract from this article. Mr. Towler maintains that observers who are keenly interested in India's possibilities are not satisfied that the development of the industry there is going ahead with the speed necessary to make it a vital factor in the war in the East. This was the gist of some of his observations, but I shall give the actual words which he used, which are as follows:

"Machine tools may be needed for new British factories. This may be used as an excuse for not sending them to India but in the present circumstances they might be much more useful for producing munitions in India than here. They would produce goods on the spot which otherwise would have to be shipped from Britain."

This is really the point. We do know that we are very deficient in the supply of machine tools which are really a condition precedent to the manufacture of important articles required for the war. But then the position seems to be this, that in regard to those very articles England expects to send us the manufactured things to India rather than allow India to have the machine tools for the purpose of enabling these manufactures being undertaken in India itself. Of course, it is rather a delicate matter, I realise, for my Honourable friend in charge, because he is not expected to tell us as to whether the Government of India have made any representations in regard to this matter, but here, I take it, is a case where the clash between the manufacturing interests of Great Britain and those of India is virtually depriving India of a very valued opportunity to become self-sufficient and self-supporting in regard to the more important war materials. We do not know how long it may be possible for us to obtain essential articles from England or elsewhere, because there is no knowing how long communications will continue uninterrupted. In view of these circumstances, it is to be hoped that Government will press upon His Majesty's Government the extreme necessity of giving the

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machine tools referred to in this article of the *Daily Herald* to India, rather than expect to continue to supply India with these manufactured goods from England.

**Mr. President** (The Honourable Sir Abdur Rahim): I do not know whether the Honourable Member wishes to continue his speech  
5 P.M. on the next day.

**Mr. K. C. Neogy**: I should like to take a few minutes more, not very long. About 15 or 20 minutes.

**Mr. President** (The Honourable Sir Abdur Rahim): He can continue his speech on Monday next.

The Assembly then adjourned till Eleven of the Clock on Monday, the 16th March, 1942.