

18th March 1941

THE  
**LEGISLATIVE ASSEMBLY DEBATES**

**Official Report**

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**Volume II, 1941**

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**THIRTEENTH SESSION**  
OF THE  
**FIFTH LEGISLATIVE ASSEMBLY,**  
**1941**



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# Legislative Assembly

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## *Deputy President:*

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

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MR. L. C. BUSS, M.L.A.

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

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## *Assistants of the Secretary:*

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## *Marshal:*

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

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MR. L. C. BUSS, M.L.A.

SIR ABDUL HALIM GHUZNAVI, M.L.A.

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

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# LEGISLATIVE ASSEMBLY.

Tuesday, 18th March, 1941.

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

## STARRED QUESTIONS AND ANSWERS.

### (a) ORAL ANSWERS.

#### EXCHANGE FOR MUTILATED ONE-RUPEE NOTES.

**412. \*Shaikh Rafiuddin Ahmad Siddiquee:** (a) Will the Honourable Member for Finance be pleased to state whether it is a fact that one-rupee notes, when torn in use or besmeared with water, milk or oil, are not accepted by the Reserve Bank of India for exchange with new ones?

(b) If the reply to part (a) be in the negative, are Government prepared to enquire into the matter and relieve the public?

(c) Are Government aware that poor persons in *moffussil* districts are selling their torn or deteriorated (in use) one-rupee notes at eight annas or ten annas to brokers, where there is no branch of the Reserve Bank of India?

(d) Are Government prepared to instruct the branches of the Imperial Bank of India, Government Treasury Department, to exchange the one-rupee torn or deteriorated notes in order to save the poor public from loss and trouble?

**The Honourable Sir Jeremy Raisman:** (a) and (b). The Reserve Bank of India refunds, as of grace, the value of mutilated or imperfect one-rupee notes subject to the conditions and limitations prescribed in the Reserve Bank of India (Note Refund) Rules, 1935.

(c) No.

(d) This matter is receiving the consideration of Government.

#### APPOINTMENTS OF ASSISTANTS, STENOGRAPHERS AND CLERKS IN THE DEFENCE DEPARTMENT.

**413. \*Mr. H. M. Abdullah:** Will the Defence Secretary please state :

(a) how many temporary or officiating appointments in the grades of Assistant, Stenographer and Clerk have been made in the Defence Department since the 1st July, 1939;

(b) how many of the persons appointed in such vacancies were Hindus; and

(c) how many were Muslims?

**Mr. C. M. G. Ogilvie:** (a), (b) and (c). A statement is laid on the table.

*Statement referred to in reply to starred question No. 413 of 18th March, 1941, showing the communal proportion in which temporary and officiating posts in the Defence Department were filled during the period, 1st July, 1939 to 28th February, 1941.*

Grade.	Temporary				Officiating			
	Hindus	Muslims	Other minority communities.	Total.	Hindus	Muslims	Other minority communities.	Total.
Assistants.	5	2	..	7	5	5	3	13
Stenographers	..	..	..	..	4	2	1	7
Clerks	17	7	5	29	32	13	9	54

**APPOINTMENTS OF ASSISTANTS, STENOGRAPHERS AND CLERKS IN THE FINANCE DEPARTMENT.**

**414. \*Mr. H. M. Abdullah:** Will the Honourable the Finance Member please state :

- how many temporary or officiating appointments in the grades of Assistant, Stenographer and Clerk have been made in the Department of Finance since the 1st July, 1939;
- how many of the persons appointed in such vacancies were Hindus; and
- how many were Muslims?

**The Honourable Sir Jeremy Raisman:** (a), (b) and (c). A statement is placed on the table.

*Statement.*

(a) Assistants	4	
Clerks	32	
Stenographers	3	
(b) and (c).	Hindus.	Muslims.
Assistants	4	..
Clerks	22	7
Stenographers.	2	1

NOTE.—These figures do not include purely stop gap arrangements extending to one month or less. Moreover, of the figures given, all four posts of Assistant as well as three clerkships were filled by promotion. The residue of the figures represent the appointments made by direct recruitment and conform as near as is possible to the communal proportions laid down in the Home Department Resolution No. F-14/17-B./33, dated the 4th July 1934.

#### NON-ELIGIBILITY OF INDIAN WARRANT OFFICERS OF THE INDIAN ARMY ORDNANCE CORPS FOR EMERGENCY COMMISSIONS.

**415. \*Bhai Parma Nand:** With reference to the Northern Command Training Pamphlet No. 3 for the Training Year 1st April, 1940 to 31st March, 1941, viz., "if Commanding Officers had exercised their power to the best advantage by selecting and recommending all suitable candidates, irrespective of the immediate necessities of their particular units. \* \* \* Army Council letters were frequently sent to Commandants pointing out the urgent necessity and the importance of recommending suitable candidates from the ranks of units but the temptation to keep the best men back has been a serious handicap throughout the war", will the Defence Secretary please state :

- (a) if it is a fact that Indian Warrant Officers of the Indian Army Ordnance Corps are not allowed to apply for Emergency Commissions; if so, why; and
- (b) if it is a fact that all serving soldiers with requisite qualifications are eligible for the Emergency Commissions; if so, the reasons for not allowing the Indian Warrant Officers to apply for them?

**Mr. C. M. G. Ogilvie:** (a) and (b). All serving soldiers with requisite qualifications are eligible for emergency commissions and their applications are entertained. But the efficiency of the service as a whole must be the primary consideration and since the duties of Indian Warrant Officers of the Indian Army Ordnance Corps are specialised it is not possible to release them for commissions until equally well trained men are ready to take their places.

#### REORGANISATION OF THE MINISTERIAL STAFF OF THE GOVERNMENT OF INDIA SECRETARIAT AND THIRD DIVISION CLERKS.

**416. \*Khan Bahadur Shaikh Fazl-i-Haq Piracha:** (a) Will the Honourable the Home Member be pleased to state whether Government issued certain orders in December 1939 for the reorganisation of the ministerial staff of the Government of India Secretariat into two main grades of Assistants and Clerks and abolition of the Second Division?

(b) Will the Honourable Member please state whether, according to those orders. Third Division clerks who had not officiated in a higher Division for at least one year on 15th December, 1939, will never be considered for promotion to higher grades, however meritorious their services may be?

(c) Will he please state whether before the issue of those orders, all Third Division clerks who could show their merit and capacity, were eligible for promotion to Second Division in 20 per cent. vacancies and then to the First Division in 50 per cent. vacancies?

(d) Were these clerks given any warning before joining the Third Division that they will not be eligible for promotion to Second or Higher Divisions?

(e) Do most of these Third Division clerks possess high academic qualifications and university degrees, and have any of them shown zeal and capacity for doing the work of Assistants?

(f) What are the reasons for depriving them of promotion for all time, regardless of their educational attainments and merit?

(g) Is it a fact that the condition of officiating in Second Division depends on the occurrence of vacancies and Third Division clerks in some Departments had better chances of officiating in higher grades than in others?

(h) Are Government prepared to withdraw the condition of one year's officiating service in higher Divisions before 15th December, 1939 for promotion in future and lay down that all Third Division clerks who had not been previously warned shall be eligible for promotion to First Division if they show merit and capacity?

**The Honourable Sir Reginald Maxwell:** (a), (b) and (c). Yes.

(d) Candidates appointed on the results of the examinations held in 1938 onwards were given the warning before their appointment.

(e) There may be some possessing high academic qualifications and possibly there are some clerks capable of doing Assistants' work.

(f) The routine grade is intended mainly for routine duties and the work expected of a new-style Assistant recruited under the reorganisation scheme is of a higher standard.

(g) This is correct.

(h) The question whether and if so in what manner the rule relating to the promotion of Third Division clerks should be amended is at present under consideration.

**DISADVANTAGEOUS POSITION OF THIRD DIVISION CLERKS IN THE GOVERNMENT OF INDIA SECRETARIAT IN COMPARISON WITH THOSE IN THE ATTACHED OFFICES.**

**417. \*Khan Bahadur Shaikh Fazl-i-Haq Piracha:** Will the Honourable the Home Member be pleased to state :

(a) whether Third Division clerks employed in Attached Offices will in future continue to be eligible for promotion to Second Division;

(b) whether Third Division clerks posted to Secretariat and Attached Offices had hitherto to pass the same competitive examination and in many cases candidates posted to Secretariat obtained higher positions than those posted to Attached Offices;

(c) whether the orders of December 1939 have placed the candidates appointed to the Secretariat in a position of definite disadvantage in comparison with those posted to Attached Offices, and have caused considerable dissatisfaction among the former, and

- (d) whether candidates posted to Secretariat and Attached Offices had hitherto no choice with regard to their posting?

**The Honourable Sir Reginald Maxwell:** (a) Yes, so long as the present rules are in force. The reorganisation scheme does not apply to Attached Offices.

(b) and (d). Yes.

(c) A representation on the subject has been received from the Imperial Secretariat Association and is under consideration.

#### REORGANISATION OF THE MINISTERIAL STAFF OF THE GOVERNMENT OF INDIA SECRETARIAT AND THIRD DIVISION CLERKS.

**418. \*Khan Bahadur Shaikh Fazl-i-Haq Piracha:** Will the Honourable the Home Member be pleased to lay on the table a statement showing, in respect of permanent and quasi-permanent Third Division clerks employed in the Government of India Secretariat on 15th December, 1939, separately for Muslims and non-Muslims :

- (a) the number of clerks who had officiated for one year or more in higher Divisions and those who had officiated for less than a year or had not officiated at all;
- (b) the number of those who possess a University Degree; and
- (c) whether a larger proportion of Muslims than non-Muslims has been debarred from future promotion as compared with their numbers as a result of the re-organisation of the Secretariat?

**The Honourable Sir Reginald Maxwell:** The collection of the information asked for would involve an expenditure of time and labour incommensurate with the value of the results. The reorganisation scheme applies equally to Muslims and non-Muslims.

#### PUBLICATION IN INDIA OF CASUALTY LISTS IN RESPECT OF INDIA'S DEFENCE FORCES, ETC.

**419. \*Sir F. E. James:** Will the Defence Secretary be pleased to state what arrangements are made for the publication in India of casualty lists (a) in respect of India's defence forces, whether overseas or in India; and (b) in respect of persons recruited in India and serving in other branches of the Commonwealth defence forces?

**Mr. C. M. G. Ogilvie:** (a) Lists of casualties in units of the Defence Forces serving overseas are sent to the Press for publication in India as soon as the next-of-kin have been informed. Casualties due to enemy action of any kind within the limits of India will also be published in the same way.

(b) No special arrangements are made for publishing in India casualty lists issued by the Admiralty, Air Ministry and War Office. When these lists are received in India they are displayed in the Government of India Press Room for the information of press representatives and it is possible for the latter to draw the attention of the public to any name which is known to be connected with India.

**Sir F. E. James:** Arising out of the answer to part (a) of my question, would the Honourable Member consider the advisability of either publishing these lists in the official Gazette or sending them to the various district headquarters throughout the country?

**Mr. C. M. G. Ogilvie:** Yes, Sir, I should be very glad to do so.

**Sir F. E. James:** With regard to the answer to part (b), is the Honourable Member aware that the procedure at present followed is not altogether satisfactory, as relations may be without any knowledge of casualties in their families—I am not speaking about the next-of-kin in this country—for a good long time; and might I suggest here also that some further steps should be taken to make available in the district headquarters these lists to which he referred?

**Mr. C. M. G. Ogilvie:** Yes, Sir, I will gladly consider that also.

**LATE-SITTING OF THE CLERICAL STAFF IN THE BRANCHES OF THE IMPERIAL BANK OF INDIA, AMBALA CITY, AND OTHER PLACES IN THE PUNJAB.**

**420. \*Maulana Zafar Ali Khan** (on behalf of Sardar Sant Singh): Will the Honourable the Finance Member be pleased to state:

- (a) if it is true that the general practice in the Branches of the Imperial Bank of India, Ambala City, and certain other places in the Punjab has been to make the members of the clerical staff to sit and work unusually late hours, invariably up to 8 or 9 P.M. and occasionally up to 11 P.M.;
- (b) if the reply to part (a) be in the negative, the monthly electric charges on account of the electricity consumed during the winter months October, 1940 to February, 1941;
- (c) whether the said monthly charges disclose late-sitting of the clerical staff; and
- (d) what action, if any, Government propose to take in the matter?

**The Honourable Sir Jeremy Raisman:** Government have nothing to do with the domestic arrangements of the Imperial Bank of India.

**DESIRABILITY OF THE APPLICATION OF THE PUNJAB TRADE EMPLOYEES ACT TO ALL BRANCHES OF THE IMPERIAL BANK OF INDIA IN THE PUNJAB.**

**421. \*Maulana Zafar Ali Khan** (on behalf of Sardar Sant Singh): Will the Honourable the Finance Member be pleased to state:

- (a) if any correspondence has passed between him and the Punjab Government as regards the application of the recently passed legislation, namely, the Punjab Trade Employees Act, 1940, to all Branches of the Imperial Bank of India, in the Punjab;
- (b) if so, the result thereof; and
- (c) if no such correspondence has yet passed, whether he is prepared to suggest to the Punjab Government to apply the said Act to all Branches of the Imperial Bank in the Punjab?

**The Honourable Sir Jeremy Raisman:** (a) and (c). No.

(b) Does not arise.

### EXPANSION OF SHIPBUILDING PROGRAMME IN INDIA.

†422. \***Sir Abdul Halim Ghuznavi:** (a) With reference to the observation in the speech of the Honourable the Finance Member in presenting his Annual Budget that "the programme of shipbuilding in India has been further expanded", will the Defence Secretary be pleased to state what the original programme of shipbuilding in India was?

(b) How many ships were ordered to be built in India and what was their tonnage, and with whom were the orders for building such ships placed and with what conditions?

(c) How far has the original programme been further expanded, as stated by the Honourable the Finance Member, and how many more ships have been ordered to be built and with whom have these further orders been placed and at what rates?

**Mr. C. M. G. Ogilvie:** (a), (b) and (c). It would not be in the public interest to give the Honourable Member the exact figures, but I may say that we have ordered ships to be built in India up to the limit of the shipbuilding capacity of the country.

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### THE PROTECTIVE DUTIES CONTINUATION BILL.

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar** (Member for Commerce and Labour): Sir, I move for leave to introduce a Bill to extend the date up to which certain duties characterised as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect.

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

"That leave be granted to introduce a Bill to extend the date up to which certain duties characterised as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect."

The motion was adopted.

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

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### THE INDIAN TARIFF (AMENDMENT) BILL.

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

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

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

The motion was adopted.

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

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

## THE INDIAN FINANCE BILL—*contd.*

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

**Sir F. E. James** (Madras: European): Sir, just before the House adjourned for the day yesterday I had read out to Honourable Members quotations from two letters that had recently been received from the home front. I read out these quotations, not with the object of eliciting anybody's sympathy for the people of my country but with the object of illustrating the present spirit and temper of the British people. Sympathy, I am sure, is there. I do not need to take any action to elicit what is already there. This spirit is best described, I think, in words which were used by President Roosevelt himself in his historic speech, when he remarked that in these days "Britain is blessed with a brilliant and great leader, Mr. Winston Churchill, but nobody knows better than Mr. Churchill himself that it is not alone his sterling worth and valour of deeds that give the British their superb morale; the essence of that morale is in the masses of the plain people who are completely clear about the essential fact of this war, *viz.*, that they would rather die free than live as slaves". He went on to say that today the British people are fighting in the front line of civilization, for the freedom of the people of this country as well as the freedom of the people of their own country. I have had a feeling during these debates that, while we have had a great deal to say about "interests" and jobs, we have had little to say about the really great issues that are today being fought out. I am sure from all the information that one receives that, when they have time, the British people think of India's growing war effort with tremendous gratitude. They think of India's political attitude with much puzzlement. In this country everyone says: "Resolve the deadlock: do something." Those who claimed the right of self-determination, now ask Britain to impose a settlement. Those who hindered a settlement in the past, now threaten those who wish to help. In his concluding speech of the Bombay Conference, Sir Tej Bahadur Sapru said what, to my mind, is a very true thing. It is impossible to find a solution of these difficult questions by press statements and by long range speeches, and he argued that, therefore, there should be a delegation from the United Kingdom to this country in order that personal contact might be made between representatives of Britain and representatives of India. I agree that contact between India and Britain of a personal character is necessary, but I prefer to see that contact made not here but in the United Kingdom. I would throw out this suggestion, that as soon as possible personal contact should be established between the Government of India and His Majesty's Government in London. There is in England today a new background that it is extremely difficult for anyone who has been in India even for twelve months fully to appreciate and understand. Why should not the Government of India send someone of undoubted authority, of undoubted patriotism and integrity with a capacity for presenting an objective view of this country and its problems and enjoying the confidence of the British people? Why should not the Government of India send someone from India to London? If you were to ask me who possesses those qualifications, I would say immediately the Leader of the House. President Roosevelt has felt it necessary to send personal emissaries from time to time so that

he might be acquainted with the situation in Europe. The Dominions have sent their Prime Ministers. Even the *Statesman* has sent Mr. Arthur Moore. Why should not the Government of India or the Governor General send the Vice-President of the Executive Council, not only to the United Kingdom but also to our latest and greatest Ally, the United States of America? Living contact in these matters is far better than cabled messages. With all the good-will in the world, speeches made today by the Secretary of State in the background of the United Kingdom are misunderstood in this country. I would, therefore, suggest for the consideration of those whose business it would be to make such a move, that the establishment of this direct personal contact with the members of His Majesty's Government and the British people by a person in authority could not do anything but good in view of the rapidly changing circumstances in Europe. Meantime, as long as the deadlock remains and no one regrets it more than I do, it is the duty of all to carry on, using every opportunity to be guided by and to educate Indian public opinion.

My Honourable friend, Sir Ramaswami Mudaliar, yesterday paid a tribute to the staff of his Department. As one who frequently has to walk the corridors of the Secretariat and worry members of his and other staffs, I would like to echo what he said. They are carrying on under very great difficulties. Even the Members of Council are carrying on with the sword of a political Democles hanging over their heads! Yet it is possible, even under existing circumstances, to mobilise what is already present in the country, and that is a surprising amount of support even for the present Executive. The Commander-in-Chief has only been in office a short time; yet already by his speeches and by those imaginative touches that are so well understood here, he has won for himself and his Department a remarkable degree of support and interest. If it is necessary that the existing Executive Council should be strengthened in order that its Members might be released from some of the heavy burdens and, indeed, released from the tyranny of desk and Committee, well and good. The people of the country would be glad to see more of them outside Delhi explaining policies, taking them into their confidence and giving the kind of lead that was given by my Honourable friend, the Commerce Member, in his speech yesterday. That does mean that the main task of everyone is now to get on with this unpleasant job. If there is any way in which the political doubts of the people of this country can be resolved, then that way should certainly be taken. I myself would like to see the establishment of the War Advisory Council which was proposed in His Majesty's Government's declaration of the 8th of August, 1940, for in that way not only would a large section of public opinion from the Provinces and the Indian States be acquainted with some of the activities of the Government of India in pursuance of their war efforts, but it would also bring together the States and the Provinces at a time when disintegrating tendencies in this country appear to be growing.

Sir, as I said yesterday, on its political side the problems of this country are undoubtedly baffling. As far as the war is concerned, there is only one task and that is to get on with the job. I believe that never in all the chequered history of the Commonwealth of British Nations or of those other parts of the Empire which are now helping magnificently in the Empire war effort, never in all its chequered history has any man found a job which is so well worth doing. Therefore, in pursuance of that task I commend this Finance Bill to the support of every Party in this House.

**Dr. Sir Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): Sir, my Honourable friend, Sir F. E. James, in his speech referred to certain questions with which we have our full sympathy. No doubt the people in Great Britain are offering heroic defence, and we assure them that they have got our sympathy and fullest support. My Honourable friend yesterday asked my opinion about the Bombay Conference. I would like just to remind him about the challenge of the cricket match sent by Winchester to Eton College, and the Eton replied: "We know Harrow, we have heard of Rugby, but we do not know who you are". That is the sort of reply which he will get from me. We know the Congress, we have heard of the other minorities and depressed classes, and so on, but we do not know what this Bombay Conference is.

I shall now come to the speeches made by some other Honourable Members. The other day I put a very innocent supplementary question about Meek-Gregory report, and I asked Mr. Pillay whether there is any portion in the report which a journalist could not write in the Library of the House, and he said, yes. I dropped the matter then, because I knew that in that report there is an appendix which gives a list of the names of firms and associations and individuals interviewed. Therefore, nobody can write "interviews" unless he is face to face with the man interviewed. I, therefore, admitted the reply "yes" and I stopped there. Unfortunately, later on, a Press representative came to interview me and he asked me as to why I suggested that the report could be written in the Library of the House. He said: "Why not the Willingdon Park or at one of the Lodi's Tombs in it". I asked him, why. He said that there was nothing in that report where the reference to the books was necessary, and he, therefore, thought that the tomb was a much better place than the Library of the House. He suggested a tomb for two reasons. In the first place, you will have more concentration, and, in the second place, you will have inspiration, not only from this side, but also from the other side of the world. Never mind. I thought the story ended there. But the reference by my Honourable friend, the Commerce Member, again to this report, and, especially to mica, brought me back to this report, and I read carefully the portion about mica. I thought any person of common sense would have just said the same thing as described in the report. Everybody knows that mica is required for war purposes, it is necessary for many things, and, therefore, any country which is engaged in war programme must have mica, to a greater and greater extent. So there is nothing in the report which any man with common sense could not have imagined. I leave this Meek-Gregory report by simply adding this sentence that when I asked the Honourable the Commerce Member whether he would give a day to discuss this report, he readily refused because he found it was a waste of time of the House to discuss the report here.

Now, I come to one or two questions raised by some Honourable Members. My Honourable friend, Mr. Ramsay Scott, referred to the difficulties of traffic, and he urged that the restrictions now laid on behalf of road traffic should be removed. I entirely sympathise with him, and I wish the Honourable Member for Communications would have replied in the end, I received the other day a strong representation from the merchants of Gulburga. They said that the goods were lying there for want of wagons to load them to Bombay. I sent that letter to the General Manager of the Great Indian Peninsula Railway. He replied that the difficulties in the supply of wagons will shortly be removed. That is, however, poor

consolation. In these days, it is not desirable to impose restrictions in matters of road traffic. They should as far as possible be removed.

The next thing is the remark cautiously made, or perhaps deliberately made, by Mr. Husenbhai Abdullahai Laljee, and I then suggested that Mr. Sheehy should take note of what the *sahukars* are doing. They will come forward with definite proposals of the kind that all the transaction which these *sahukars* keep must be deposited either with the income-tax authorities or with the registration department, so that they may be useful to income-tax officers.

Now, I come to my Honourable friend, Sir H. P. Mody. Just when I was coming in, I was handed over a pamphlet written by Sir H. P. Mody, the title of which says: *Theory of Negative Taxation*, by Kolonel Sir Homi Mody.

**Maulana Zafar Ali Khan** (East Central Punjab: Muhammadan): Does "Colonel" begin with a "C" or a "K"?

**Dr Sir Ziauddin Ahmad:** It begins with a "K" all right. He calls it the theory of negative taxation. Here he discusses what he said on the floor of the House all about negative taxation. First about Income-tax. Reply "No". Direct taxes are not very popular; so, no direct taxes. What about excise duties? That will kill the industries; so no excise duty at all. What about import and export duties? He says, the shipping difficulties are there, and countries after countries are becoming belligerent, and so, no export or import duties. Then, what about transportation tax? No, it falls twice over the industries, once when they take the material to the factory, and then when they send finished goods. Is there any tax which he would recommend? The only tax which he recommended is the poll tax. Then, people ask, what is meant by poll tax? I can define, according to this "Negative Theory of Taxation", what a poll tax is not. I cannot define what a poll tax is. Any definition which you can give for tax, it is not a poll tax, so that poll tax is anything different from any definition which you can possibly give. I have heard of this thing in the theory of numbers. You can imagine a number other than what you can think of. In the negative theory of taxation, it is possible, my Honourable friend knows how this word came into existence. When the author, Sir Homi Mody, was writing this book, he said that only two are familiar with this theory, that is God and himself. But now he will find that God alone is familiar with what he wrote and nobody else is familiar with that, because this book contains only blank pages.

Now, I come to some of the difficulties which Sir Cowasji Jehangir raised. There are two different views about this theory of taxation. Naturally the capitalists do not desire any taxation at all. Labour, on the other hand, presses for more and more taxes. I suppose some of us must have seen an article on the labour demand. They say when you can have capitation of labour, why not capitation of capital. If you compel all labourers to work, why not compel all the capitalists to give their capital for the benefit of the State. My Honourable friend, the Finance Member, gave a dissertation last year on social justice in the matter of taxation. I was sorry to miss those descriptions in the present speech of the Finance Member, because probably he is reserving it for his book which I hope he will

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write, namely, "Social Justice in Taxation". So really in the middle of these two contradictory theories something has to be devised between labour and capital on the principle of social justice.

Now, as regards Sir Cowasji Jehangir, there are two points which he made, and I should like to express my own views. The first was that the increased expenditure on war should be paid by means of loans.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): Not all; a proper proportion.

**Dr. Sir Ziauddin Ahmad:** Yes, a fixed proportion, and that proportion should approximately be the same as the proportion in the United Kingdom. As regards this point, I should like to mention that the difficulty in maintaining a proportion is this, that our taxing capacity is a fixed quantity and cannot increase very much, but the war expenditure is an unknown quantity; and, therefore, if war expenditure continues to increase further and further, then the proportion of loan will go on rising more and more. Suppose our income is 100 and our expenditure is also 100, we are well off. Suppose our maximum taxing capacity is 20 more. So long as our war expenditure rises to 10, I should say that all the 10 should be collected by taxation. If it rises to 20, I should say that 12 should be raised by taxes and 8 by loan. If it goes up to 40, there will be more of loans and less of taxes. At the same time it is to be remembered that the taxing capacity will also increase with the increase of the expenditure involved. That is a point which is very often missed. With the increase of national expenditure, national income also increases, and, with the increase of national income, the taxing capacity also increases. My Honourable friend knows that at present the Supply Department is spending about 6 crores every month or 75 crores a year on purchases in India. This sum of 75 crores per annum will be distributed among the various people, and the national wealth will, therefore, increase, and consequently the taxing capacity of the people will also increase up to a certain stage. Therefore, I entirely agree that we should pay part of it by loan and part of it by means of taxes, but this proportion will be according to the money which we require for war purposes, and the greater amount will be met by loan if the money goes on increasing indefinitely as it has gone on in the case of the United Kingdom.

The second point made by Sir Cowasji Jehangir was about the 23 crores and where they have disappeared. This reminds me of a story about the accountancy of a Sikh Sardar,—I am sorry, my Honourable friend, Sardar Sant Singh, is not here. This Sardar brought plenty of money by loot, and, as he did not know accounting, he employed another person to count his loot. Then, the man sat down and went on counting,—and here I will give it in Urdu as I cannot express it very well in English:

*"Nau aur áth satra, satra aur sât chaubis—Chaubis ke char aur háil lage do."*

Nine plus eight is 17, and 17 plus 7 is 24, of which 4 comes down here and 2 is taken to the other column. The Sardar thought that the man was stealing those two rupees and tried to kill him. The man was killed for stealing rupees two, and the Sardar sent for another accountant. He did the same and the Sardar asked him where those two rupees went to. The man said: "I have kept those two rupees for your pudding which

you require in the evening", and the Sardar was satisfied. So I may tell my Honourable friend, Sir Cowasji Jehangir, that these 23 crores, according to the second accountant of the Sardar, has been given away for the encouragement of the smaller industries. My Honourable friend, Sir Raghavendra Rau, the other day drew his attention to certain withdrawals from these figures. The figures are given on page 30 of the explanatory memorandum on the budget as to the withdrawal from the postal cash certificate fund and the postal savings bank. You may take it that the major portion of the amount which these people have drawn has gone for the development of smaller industries. At present there is a good deal of encouragement for the smaller industries and the money drawn by these small investors in postal cash certificates and postal savings bank has really gone for the development of small industries. That explains his point about the 23 crores.

I now come to a few financial slogans. The first slogan was raised by Sir Cowasji Jehangir, why pay your debts during the war. The second was raised by Mr. Chapman-Mortimer, and that was, why postpone the evil day. The third was raised by Sir Abdul Halim Ghuznavi, viz., why not pay the entire amount by means of loan. The fourth was raised by Sir F. E. James, viz., heaviest taxation. The fifth was that of Sir Cowasji Jehangir, viz., a proportion between taxes and loans as in the United Kingdom. To these five I will add a slogan of my own, and that is, we should pay what we can pay and leave the balance to future generations. I think that is the principle on which we should work our financial policy. I should very much like, if I have time, to develop a scientific theory of taxation, and I think it is very desirable that we ought to determine the maximum taxing capacity of India in the present conditions. Of course, if the war conditions continue, the national income will increase and the taxing capacity will also increase in a certain proportion. In calculating the taxable capacity, we ought to remember one point which is often overlooked by the Treasury Benches, and that is that in India, in addition to all these other taxes that we pay, there is an invisible tax levied on all Indians, and that is to support all the unemployed persons by those who are employed. Every one of us has this experience that any one having an income has to support a very large family of relatives, nephews and others, who in the circumstances of European countries are not so supported. I tried to find out what is the percentage of this invisible taxation about four years ago and raised this question in the House, and some people said it ranged from five annas to ten annas in the rupee—I think it was Dr. Deshmukh who said he paid as much as ten annas in the rupee in supporting other people; but I think five annas may be taken as a fair average which every Indian has to pay in this invisible taxation. Therefore, in determining the taxable capacity of Indians, it is very desirable that you should take into account this invisible tax which every Indian has to pay, and then determine our taxing capacity scientifically.

I now have a slight digression—it is a rather important point and has great bearing on the future financial policy of the Government. The Finance Member has issued this one-rupee note without a paper currency reserve. I objected, because I thought it was contrary to the established principle of political economy. But he replied—without perhaps thinking very carefully—that the credit of the Government is behind the note. He may have said those words deliberately or innocently; but they go a long way in criticising the entire theory of the Paper Currency Reserve.

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What was the idea of this Paper Currency Reserve? First, the standard was gold and silver. When people could not carry rupees and pounds in their pockets, they issued paper notes which were just like *hundis*. When these notes were issued, they had so many pounds in reserve so that when the *hundis* were presented for encashment, these pounds could be paid: the original idea, therefore, was to keep gold and silver ready to pay when notes were presented. But may I ask the Finance Member now whether he will pay me in gold if I present a fifteen rupee notes in exchange? He will not, because we are off the gold standard. If I am not to be paid in gold for the notes I give, what is the use of keeping up this Paper Currency Reserve in gold? For whom is this gold hoarded? It was originally kept to maintain the credit of these currency notes. But, as he said, the real credit of these currency notes now is the credit of the Government, and not the gold or money you have in your currency reserve. We understand very well that if the credit of the Government disappears, then the gold would have disappeared long before that; so that the presence of the gold is no guarantee and no credit for the security of these paper notes. The credit of the Government is the real credit for the currency of the country, and, I ask, what is the object of blocking so much gold and keeping it in certain chests or vaults and not put it into circulation. The whole theory of the Paper Currency Reserve ought to be revised. But we ought to keep one important point in mind, and that is our foreign obligation. We have to pay Rs. 50 crores every year to meet our foreign obligations, and if we include the money that private individuals have to send, it may go up to 70 crores. We must, therefore, keep a credit in sterling at least of Rs. 100 crores to meet all our liability in sterling. Therefore, the only credit which is necessary for backing our paper currency is a credit of at least 100 crores in the United Kingdom, so that our credit outside may not disappear. Our credit inside the country depends upon the stability of the Government, upon the credit of the Government, but our credit outside India will depend upon whether we are in a position to pay our liabilities and commitments, and if we keep Rs. 100 crores in reserve, it would be all right. From now onwards, I am sure that this theory of political economy about Paper Currency Reserve, which has got the benediction of so many years behind it, will have to be altered. We have altered a number of theories in the past, which have done a great deal of mischief, and I think we should alter this theory of the Paper Currency Reserve. There are many examples—in Germany, France and other countries; they have not got a Paper Currency Reserve: they have what is called a manipulated currency. We have already changed the old theory that the prosperity of the country depends to a large extent upon the favourable balance of trade. It has disappeared, because nobody believes in it now. Then, we believed that the prosperity of a country depended to a very large extent upon the stability of exchange. Even that theory is gone during the last few years, and now we have come to the new theory about the stability of prices. We have seen theories of political economy change day after day, and I think this theory of paper currency will also change.

There is another digression that I wish to make before I go back to my main points. I drew the attention of the Honourable the Finance Member the other day about the desirability of having some kind of philosophical foundation for political economy. I drew his attention to the

fact that we have got books on the philosophy of mathematics, philosophy of history, but we have got no book on the philosophy of political economy. We want somebody to write one, and he is the most competent person to do it and to tell us what is the meaning of money. We know that we started with the barter system; and when the barter system became very complicated, we employed standard article, gold, through which barter could be made; then, for the expression of labour in terms of commodities,—one thing was material and the other was energy,—and in order to get over the difficulty of expressing the one in terms of the other the notion of "money" came in. Therefore, this philosophic definition of money ought to be there and it ought to be thought out.

But the Finance Bill is not the occasion when I will discuss this problem or the necessity for a book of this kind, so that the world may be saved from the fantastic theories of these economists.

Now, the next thing I shall refer to is a really important factor in the budgetary position of a country; but I request the Honourable the Finance Member not to get up and reply, but let him please think over it. Will you (referring to Government Whip) please ask Sir Raghavendra Rau to come in? . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member had better go on.

**Dr. Sir Ziauddin Ahmad:** I am going on, but I wish he would come in. There are two points which I should like him to note, which will affect the budgetary position of India. One is with regard to the railways. I am not discussing any railway problems on the Finance Bill, but there are two points to which I shall draw his attention and request him to give me a reply—not now—but at the time of the next Finance Bill; and he may consult his two colleagues who are very competent and also the Auditor General. My point is this. The theory of depreciation which they have started might be carefully revised. We know that up to 1875 we had one theory of depreciation fund. We found then that they were depositing larger amounts under depreciation fund in order to show smaller profits, and since the rate of interest was guaranteed, it did not hurt them. The Government of India realised the difficulties, and so they abolished the depreciation fund in 1875. During the war, we made a mistake in not spending sufficient money for renewals and replacements, and further we deplored the mistake and re-established the depreciation fund. Now, let us take the figures for 15 years since the railway budget was separated from general revenues, and we find we have been depositing in the depreciation fund about 4 crores more than the money actually required for renewals and replacements in one year. Therefore, I want really two points to be considered,—one is that the depreciation of this type which is placed here does not exist in any other railways; the second point is that we go on increasing the amount of depreciation by 4 crores year after . . . .

**Mr. M. A. Aney** (Berar: Non-Muhammadan): May I ask one question? Do you mean to say that depreciation does not exist in American Railways?

**Dr. Sir Ziauddin Ahmad:** No, not in this form. Here the general finances suffer, and that is my point. Since 1924, the accumulated depreciation fund after paying for renewals and replacements has come to nearly 60 crores. We have borrowed some money and the balance left is 30-35

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crores. We now go on adding to it year after year. This is, strictly speaking, not a depreciation fund, but it is a kind of reserve fund. Now, I should like to draw the attention of the House to clauses 2 and 3 of our convention of 1924.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member is really discussing the railway budget.

**Dr. Sir Ziauddin Ahmad:** No, I am suggesting the Honourable the Finance Member a fruitful source of income which he can get in the next Budget.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member is really discussing the railway budget. This is not the occasion for it.

**Dr. Sir Ziauddin Ahmad:** No, I am not going to discuss the railway budget at all. I am only pointing out that the Finance Member can get a fruitful source of income in the next Budget. He has got so much deposited in the reserve fund, but, according to clause 3 of our convention, all that must go to the general revenues. One-third of it may be given to the general revenues before anything is given to the reserve fund. Otherwise, we shall be depriving the share of the general revenue. This is a point to which my friend should pay particular attention and consider whether it is desirable to call it a depreciation fund or a reserve fund. There is no use of confusing the two . . . .

**The Honourable Sir Jeremy Raisman** (Finance Member): What would the Honourable Member do when he could not get the physical material for renewals or replacements?

**Dr. Sir Ziauddin Ahmad:** In exceptional time, we increase our store balances. The experience of 16 years is enough for us. I have got the figure here, expenditure under depreciation comes to 8½ crores. We are depositing 12½ crores. We are, in fact, depositing about 4 crores in Reserve, then the amount left over for distribution between reserve fund and general revenues will be diminished, by that amount, *i.e.*, 4 crores, one-third of which should come annually to general revenues.

Then, the next point I would like him to consider is their method of adjusting the accounts when railways are dismantled. This is a point on which the Finance Member, as the custodian of the general taxpayers, has not exercised proper influence. Take the case of the Kangra Valley Railway . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Railway Budget was the proper occasion to discuss these matters. The Chair would ask the Honourable Member not to discuss the railway budget now.

**Dr. Sir Ziauddin Ahmad:** No, Sir, but this will affect the general budget.

**Mr. President** (The Honourable Sir Abdur Rahim): It has nothing to do with the Finance Bill.

**Dr. Sir Ziauddin Ahmad:** I am not criticising the Railway Board or the Railway Department, but I am criticising the Finance Member.

**Mr. President** (The Honourable Sir Abdur Rahim): That may be, but all that would have been relevant during the discussion of the Railway Budget.

**Dr. Sir Ziauddin Ahmad:** It is relevant here too.

**Mr. President** (The Honourable Sir Abdur Rahim): It has been ruled over and over again that Honourable Members cannot go over the railway budget when discussing the Finance Bill.

**Dr. Sir Ziauddin Ahmad:** I am not discussing the railway budget now.

**Mr. President** (The Honourable Sir Abdur Rahim): He has been, in fact, discussing matters appertaining to the railway budget.

**Dr. Sir Ziauddin Ahmad:** Very well. I am only pointing out to the Finance Member what he ought to do. I think whenever there is a loss or deficit, he ought to appoint a Committee to find out why so much money was spent, but I find no steps have ever been taken by him to see how these deficits have occurred. That is one point.

Now, before I proceed to discuss the question of allocation of these taxes under various heads, I want to tell you whether you are going to adopt a timid or a bold policy? Are you frightened of the tiger and the lion, or you are not? If you are not frightened of the lion and the tiger, then adopt a bold policy, and then you can build up a scientific theory of taxation. You may ask me what is the lion and the tiger story. I will tell the story briefly. Once there was a king who was greatly in need of money, while he had nothing in his exchequer. So he went to a jungle feeling very melancholy and sat under a tree. There a sorcerer came to him quietly and told the king: "All right, you go to the house of Talisman and you will get as much money as you require. If you find any difficulty there, then go to the person who resides on the other side of the mountain near the sea called *Sufedposh* who will help you. There is a milch cow close by, and whenever you are in difficulty, you go there with a bucket, and the milch cow will give you milk and jewellery." So the King went to the Talisman and there he found copper coins strewn about which he picked up. But there were two chambers there, in one of which there was gold and silver, while a lion was standing at the door and the second chamber was also filled with precious stones, but there was a tiger at its gate. Every time the King approached the chamber to pick up gold and silver, the lion gave a roar. The King came back then to the milch cow and he got some kind of jewellery. This happened once, twice or three times. First he got something in the shape of taxes, then he got a peculiar kind of supertax, called the excess profits tax, and so on. So the King went to the *Sufedposh* and he gave the King a magic wand. With the magic wand the King again went to the chamber to pick up the gold and silver, and when the tiger roared, it was shown the magic wand and it kept quiet, and the King found that the skin of the tiger went off and it was nothing but a barking deer. Later on, he went to the lion and showed it the magic wand, and the King saw that it was not a lion, but really it was a fox in the garb of a lion, and so he went into the chamber and got as

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much money as he required. So if you really want to adopt a bold policy and get money from all possible sources and not confine yourself to a few pence here and there in the shape of putting duties on artificial thread or a duty on rubber tyres and tubes, you will not be able to build a real theory based on social justice . . . . .

**Sir Cowasji Jehangir:** Who is the lion and who is the tiger?

**Dr. Sir Ziauddin Ahmad:** That is a matter I leave the Members of the House to find out for themselves both in persons and organisations. You can interpret—A may be an individual or a class. This particular thing may be an individual or a class, and you will have to find out both and the reward for it is a speech of three hours. That is the reward I can give to one who can find out these things correctly.

Let me turn now to pages 22 and 23 of the Explanatory Memorandum.  
 12 Noon. We find that income-tax has increased to 35.62 crores, but I think that there is further room for taxation on account of the fact that we are spending about six crores a month for the Supply Department, and it goes to various peoples in some form or another. So, I think that it can be increased by 15 crores. If you are not afraid of the tiger and lion, then I suggest that you should have an excise duty on textile mills and also an excise duty on steel and iron.

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

**Dr. Sir Ziauddin Ahmad:** Cement comes under miscellaneous, it is not protected by tiger. Yesterday the Honourable the Commerce Member pointed out in his speech that it was a very good thing that we gave protection, but at the same time he should remember the report of the Fiscal Commission where they said that protection is in the shape of loan which will have to be paid back. This is a time of necessity, and this is the time when these industries are in a most flourishing condition,—the Finance Member and the Commerce Member will admit that. If it is the condition that they will pay back the protection, what is a better time than the present one? This is the time when they ought to pay back, and this is the time when the Finance Member should levy an excise duty on textiles and on iron and steel. The next thing is about salt. Sir Cowasji Jehangir will agree with me, there is a great deal of history behind it, but at the same time I think we should go back to the old level which we had before. No doubt this taxation will be temporary, will not be permanent, it will be only for war purposes, and we should go back to the present level after the war. Next we should get from some of our commercial concerns—railways and other things. From the railways you can get at least 5 crores more if we adopt the theory to which I have alluded before. Taking all these things into consideration, I think our taxation capacity is still in the neighbourhood of 30 crores under the present conditions. If the war expenditure continues beyond six crores a month, I think the taxing capacity of the people will proportionately increase.

**The Honourable Sir Jeremy Raisman:** May I ask the Honourable Member what was the last item which he mentioned?

**Dr. Sir Ziauddin Ahmad:** I do not call it a taxation on transportation, because it is a bad word to use, I will call it taxation on our commercial concerns. For example, take the case of rates and fares. When we increased it by two annas and one anna, it ought to have been earmarked as the contribution of the railways to the general revenues. When you increased the postage by three pies or so, that also ought to have been earmarked as the contribution from our commercial concern to the general revenues.

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

**Dr. Sir Ziauddin Ahmad:** If your requirements continue and increase, I should not mind if you pick up some of the other articles and make them a State concern or a national concern, so that the entire profit will go to Government. At present I confine myself to those commercial concerns which are there, but if our demands increase and our requirements become greater, and the sources of income begin to dry up, in that case I think other articles should be added to our commercial concerns one by one, and I am quite prepared to suggest about half a dozen items which can be taken on hand in time, but this is not the time to deal with them. The amount that I suggested was about 15 crores more from income-tax, and this is due to the fact that the national income will be increasing, about 10 crores more from the excise duties—it will include excise duty on textiles and also on steel and iron and excise duties on cement, paper and a few other articles—about 4 crores more from salt, and about 5 crores from commercial concerns. One thing more I should point out about excise duty on textiles. Though I know those people who know how to carry on propaganda will be very bitter, I assure them that the cottage industry and the smaller people, the consumer will welcome this excise duty. The old slogan about excise duty that it will benefit Lancashire does not hold good. Nothing is coming from foreign countries, on the other hand we are exporting piecegoods to other countries, and, therefore, the argument which held good in those days will not hold good now.

**Sir Cowasji Jehangir:** What about Japan?

**Dr. Sir Ziauddin Ahmad:** In the case of Japan, they have got a quota system and they cannot import more than that. They cannot bring in an unlimited quantity. The quota is about 400 million yards, but actually they are importing less. And we have got a double check,—the quota system and an exorbitant duty. Therefore, Japan does not come into the picture at all.

Coming to other articles, will you ask (referring to the Government Whip) the Honourable the Commerce Member to come in because I have to deal with him?

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

**Dr. Sir Ziauddin Ahmad:** Very well. One thing I will refer to is about sugar. It was referred to by Mr. Ramsay Scott. I do not want to deal with it in detail, because I know that our Government are not responsible for the breakdown; the responsibility rests entirely with the Governments of the U. P. and Bihar. Still our Government are responsible for two

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things and they made a mess on account of two actions which they have taken and they are responsible for it. One was the Second Finance Bill of 1931. When we had a protective duty carefully calculated, there was no necessity to increase this protection by 25 per cent. which they did under the Finance Bill of 1931, with the result that a large number of sugar industries came out, and, within two or three years, they took the entire money back, and they were accustomed to draw a dividend of 60 or 70 per cent. which was really too much, and, then, whenever the profit became smaller than 60 per cent, they thought it was a loss. Their definition of loss is this. If they get less than the money which they expected, it is a loss. Suppose they expect a profit of 20, and they earn 18. They will not say it is a profit of 18. They will say it is a loss of 2.

**The Honourable Sir Jeremy Raisman:** Above the standard profits?

**Dr. Sir Ziauddin Ahmad:** Below the expected profit. I was dealing with sugar just now. The second is that they slept over the matter. They did not make any inquiry. They did not bring the matter to the notice of the Assembly. We would then have taken sufficient action so as to keep both the Governments of the U. P. and Bihar within their proper limits.

Now, I come to the excise duties. I do not want to lay before you the exact amounts. I have calculated the details of the exact amount of excise duties which should be levied on the various articles and how much we would get, but this is not the time to go into the details, because it requires very careful checking and consideration.

Now, Sir, I come to a few points connected with the Commerce Member. I wish he had spoken after myself, not before, so that I might have got his reply on one or two points which I want to raise. The first is the stability of prices. The second is the supervision of the cess duties. He himself said that this department is known as the department of conferences and committees, and so on. I know he holds no doubt a number of conferences and a number of committees, and I think it is perfectly right, but I have two objections to them. One is that these conferences are sometimes one-sided. He brings in the capitalists and industrialists and he overlooks the smaller industries and consumers. In order to get a true picture of thing, we have to consider not only industrialists and capitalists, but also the smaller industries and consumers. The Commerce Member says that their point of view is often represented by himself. If a consumer is represented by the Honourable Member, then I should say he is a very poor specimen of a consumer. Whenever the question of the development of industries comes up, these two things should be prominently kept in view, namely, the interest of the smaller industries and the consumers. The Government should particularly take care of the smaller industries for this reason. If war continued for a long time, the capacity of production of these mills will be limited. They will not be able to renew their mills, and we will have to fall back upon the cottage industries.

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar** (Member for Commerce and Labour): At least on the Sugar Conference, I had a very good consumer representative in the Honourable Member himself.

**Dr. Sir Ziauddin Ahmad:** In the case of sugar, I did not discuss the details. I will come to it when the Sugar Bill is coming. Were there any other representatives of the consumers in the other committees and conferences?

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar:** No.

**Dr. Sir Ziauddin Ahmad:** Never mind. I come now to the fiscal policy which the Honourable Member referred to in his speech. We discussed this question in our party meeting. It was suggested that we should move a cut motion on fiscal policy. We decided that this is not the time. Any fiscal policy framed in a time of war will have to disappear very soon. You cannot even frame your fiscal policy from year to year. It may have to be framed from month to month. Any framing of a fiscal policy at the present moment is out of question. We will have to consider this question after the war and frame our policy on the conditions then prevailing. The idea of a fiscal commission should be taken up as soon as the war is over, when we can visualise in our minds our own future.

The other thing that I want to mention in connection with the reports of committees is that if they are not confidential, they ought to be published, and copies of them should be distributed among the Members of the Assembly. If we remain in touch with them, we will be able to draw the attention of the public and of the constituencies to the important developments that are taking place, and even if a portion of it can be made public, it will be a good thing to publish them, so that we may have an opportunity to discuss them also on the floor of the House. I know that they are doing very useful work in certain directions, but, at the same time, I think their useful work ought to be made public. It is very desirable that we should have an opportunity to discuss them.

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar:** These reports are all being circulated to the members of the Standing Committee attached to the Commerce Department, and if any Honourable Member wants the reports, I am perfectly willing to place them at his disposal.

**Dr. Sir Ziauddin Ahmad:** The Members of the House should also have an opportunity to discuss these things, and if we get copies of all these reports, we will be able to discuss them by means of questions and resolutions, or by asking for the allotment of particular days to discuss them.

The next suggestion I want to make is about shipping control. Shipping is controlled by His Majesty's Government. It is perfectly right. I do not discuss it. They only can decide when the ships would be available, and, for what purpose, but it is very desirable that we should have some officers of the Commerce Department associated with this work, so that they should be in a position to distribute the internal requirements in the various provinces of the various exporters. The control and distribution of this thing should not be left to the representatives of His Majesty's Government alone. It is very desirable that our Commerce Member should press this thing, that an officer of the Commerce Department should be associated in the allocation of the various commodities in the various ships, and this matter should not be left to the representatives of His Majesty's Government. His Majesty's Government may decide the ships and the articles to be sent, but in what way they should be distributed among the various merchants in India itself, there I think the opinion of the Commerce Department should be asked for.

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Now, Sir, I come to the tea cess. We have levied the tea cess, but we do not know how it is being used and how it is managed. In fact, I tabled a Bill that this tea cess should be abolished simply with the object of discussing this subject, because I know that on the occasion of the Finance Bill I can only give a very small portion of my time to it. I cannot discuss the matter in all its details, but I think it requires some consideration. We ought to discuss how the funds are being used and in what way this thing should be improved. We should offer our suggestions for further improvement of the tea cess administration. It is in the interest of the business itself. I will just mention one or two points. The Tea Cess Committee are taking the contract on the railways. Can anybody imagine that the Tea Cess Committee should take the contract on the Railways? I was in the Advisory Committee of the B. and N. W. Railway, and I discovered that this Tea Cess Committee took the contract of restaurants and they have tea stalls on various stations of the B. and N. W. Railway. It is outside their jurisdiction, and if my friend had submitted a report, year after year, of the Tea Cess Committee along with the budgetary papers, then we would have looked into the matter and could have got an opportunity for the discussion of the subject, and I think it is time that it was considered that it is not the function of the Tea Cess Committee to take the contracts of the tea stalls at the railway stations. They can take to advertisement, they can sell tea at half price or no price. . . .

**Mr. M. S. Aney:** Gratis.

**Dr. Sir Ziauddin Ahmad:** Yes, gratis, as they did in the exhibition about three years ago, that is perfectly right, but to take a stall and sell tea at one anna per cup with other eatables, as they are doing on the B. N. R., is outside their jurisdiction.

**Mr. P. J. Griffiths** (Assam: European): The Tea Cess Committee or rather the Tea Market Expansion Board takes no permanent contracts whatsoever. It makes temporary arrangements until permanent arrangements can be made. There are no permanent arrangements and the Tea Market Expansion Board runs stalls on a temporary basis only.

**Dr. Sir Ziauddin Ahmad:** All contracts are temporary, and none are permanent. The second thing is that their method of appointment is very defective. I do not know whether I am correct, but Mr. Griffiths will correct me if I am wrong if he speaks on this occasion; I think that their Managing Director, Mr. Miles, has all the power; the Governing Body of the Tea Cess Committee has got little or no control over their Managing Director. . . .

**Mr. P. J. Griffiths:** On a point of information, Sir, my friend is at least ten years out of date; the Tea Cess Committee was abolished many years ago, and its place was taken by the Tea Market Expansion Board.

**Dr. Sir Ziauddin Ahmad:** All right. I accept the amendment. As regards the Tea Market Expansion Board, they have got a Managing Director, but the Managing Director does not know that it is the members

of the Tea Market Expansion Board who are responsible to the Members of the Legislature, and not the Managing Director, who may do whatever he likes. It is Mr. Griffiths who has to explain to us here the difficulties, and I think it is right that the policy ought to be laid down by the Tea Market Expansion Board, and their Managing Directors should not be present, and that Board should be enabled to carry on their policy in their own way. We are very much dissatisfied with the manner of the appointments by the Managing Directors and others. I shall give one instance for the benefit of my friend, Mr. Griffiths. I was travelling from Dacca to Goalundo, and, in the cabin, I had an officer of the Tea Market Expansion Board. Well, while I was sleeping, he got up and he spilt something over me and spoilt my blanket. He was dead drunk, and when I mentioned this thing to the Captain, he admitted his helplessness. Then I approached their Managing Director, and I got no reply. Now, when you employ a person of that type who is found to be dead drunk, how can you expect them, while travelling, to carry on their duties?

**Mr. P. J. Griffiths:** On a point of information. Was not any action taken against the officer concerned?

**Dr. Sir Ziauddin Ahmad:** I was not informed. What action did you take?

**Mr. P. J. Griffiths:** You should join the Board.

**An Honourable Member:** Did you not claim damages?

**Dr. Sir Ziauddin Ahmad:** I did not claim damages. I wanted better selections of officers. So, as regards selections for appointments, I think they require a good deal of improvement. However, I do not want to expose all these things now, but things are very serious, and I think the Tea Market Expansion Board ought to look into the whole policy and go carefully into it and they should remember that it is they who are responsible to us, and not the Managing Director . . . .

**Mr. P. J. Griffiths:** They do.

**Dr. Sir Ziauddin Ahmad:** . . . . and that the Managing Director should carry out literally the policy of the Tea Market Expansion Board.

The next point I shall take up is a rather important one, it is about the fixation of prices, and especially about the agricultural products. My Honourable friend, Sir Abdul Halim Ghuznavi, pointed out the other day—"why not do the Government purchase certain commodities in order to raise their prices up?" He said it, I think, in a very casual manner, but I think what he said on that occasion requires careful consideration. What he really meant was this, that we should adopt some policy for maintaining the stability of prices, just as we have adopted in the case of the maintenance of the stability of exchange. We know that we have introduced Council Bills and Reverse Council Bills for maintaining the

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stability of exchange. Now, why not introduce something of the same kind in the case of these commodities in order to stabilise the prices? Something of that kind is very desirable. My friend might say—"where will he get the money from?" I will tell him the method of getting the money, and I think he will admit that this is a very good way of getting the money. Take the case of cotton. Now, in the case of cotton, the cotton dealers store the cotton purchased from the agriculturists in given quantities for, say, a hundred rupees. They keep it for themselves, and then they sell it at the proper time for two or three hundred rupees. Therefore, the profit of the man who deals in these things should be taken to be twenty-five per cent, and I think that is a very good profit. So, if he has purchased the cotton for a hundred rupees, he should be allowed to sell it for Rs. 125, but if he sells it for two or three hundred rupees, then the balance of that must go to the State, and the money we so get ought to be utilised for maintaining the stability of cotton; whenever the prices of cotton may be lower than the scheduled rate, the Government should step in and purchase the cotton in the same manner as they purchase Council Bills and Reverse Council Bills. Therefore, what I want him to do is that he should follow, as far as possible, the procedure followed in connection with the prices of Council Bills and Reverse Council Bills for maintaining the stability of prices, and, I am sure, that if he will do so—and it is a fruitful source of getting an income—he will gain; so this is one method which he ought to follow for maintaining stability of prices.

Now, I am going to suggest two or three other measures. The next thing which he ought to do is that he ought to hand over wider powers to the Local Governments and to the District Magistrates to fix the local prices, especially of foodstuffs. We know that most of these Collectors do interfere and they do fix prices, and, in most cases, local prices of foodstuffs,—as in most cases the local *baniyas* really hoard the foodstuffs and they do not want to sell, with the result that poor people suffer, or the *baniyas* sell it at an exorbitant rate. Then the District Magistrate very often steps in, and they fix what they consider to be reasonable prices, but here again the Government of India may interfere, and I think this is one particular example. I would like the Commerce Member particularly to note that in one district the District Magistrate fixed the price of *ghee* at a very reasonable rate, the Government of India interfered, they said, "No, you ought not to regulate the price of *ghee*, because it will affect the purchases of the Indian Government". The Collector said—and he was a strong man—"Tell us how much is required from the district and we will be able to get it, at the price which I am fixing, and double the quantity which you have fixed for that particular district". They said, "no", and then the Collector, who, as I said, was rather a strong man, still continued to regulate the price of *ghee* and then a telegram was sent by the Government of India—I do not know whether it was from the Commerce or some other Department—to the Governor of the United Provinces to the effect, "Please stop the Collector from interfering and fixing the price of *ghee*"—in this case there was interference by Government in the work of the District Magistrate when he was putting a reasonable price for the commodities in the interest of poor people—and they are not required only for war purposes; the poor people consume about ninety per cent. of the supply of *ghee*.

**The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar:** As my Honourable friend has referred to this particular point, I may explain the reason which is a very simple one. If an isolated and individual action is taken only in one district at a time like this, the result would be that the particular commodity would disappear from that district and may not be sold elsewhere. Therefore, we wanted a more organised and continuous action over a wider area and under the direct check of the Government of India, otherwise the product will simply disappear from the particular area.

**Dr. Sir Ziauddin Ahmad:** I am glad my Honourable friend has intervened and it has given me the opportunity to reveal what is behind it all. The fact of the matter is that the Government are not purchasing the articles at a tender rate. There is no tender asked for. The Ghee contractor is simply asked to buy ghee in the market and charge the Government the market rate and generous commission. He controls the prices in the market and they are practically fixed by the person himself. He buys the things for the Government at the price which he himself fixes, and this is fundamentally wrong. It is not right that you should ask a man to buy a large quantity of some articles and the man himself fixes the rate of those articles. But when the Collector intervenes and fixes a lower rate, then his secrets will be out and the margin of his profit will diminish. You should ask him why a particular thing is sold at such a lower rate in one district, and why at such a high rate in another district, and then his secrets would have been out. But this is only by the way. What I want to say on this particular question is this that, in fixing the price, especially of foodstuffs, the Government of India ought to give wider powers to the Local Governments and to the District Magistrates to help locally. Whenever any particular commodity is short in any particular district or in any particular area, then the Government ought to make some arrangements out of the Fund to which I have just alluded to send that particular commodity to the province or the district where it is needed. This is the work which the Government of India ought to do. In the first place, they should watch very carefully the shortage of any foodstuff or any particular article in a province and they should try to remove that shortage by sending that article from a place where it is in abundance. Secondly, they should give greater power to the local authorities to fix the prices and help them wherever it may be possible. Thirdly, these prices should be announced if not every day at least once a week both on the Radio and in some other ways so that the consumers may also know what the prices are and they may be on their guard and may be able to find out whether the local prices have not been artificially raised. The prices of important commodities such as cotton can be stabilised by adopting the policy of Council Bills and reverse Council Bills. In this way, I am sure the prices will be stabilised. That is really an important problem. If you want to maintain peace in the country, then you have to guard yourself against the instability of prices and against the *Bazaar gups*. I will deal with these Bazaar rumours when the Home Member is in the Chamber.

Now, Sir, I come to the Department under the portfolio of the Home Member. I should like to mention one thing before he comes here.

**Sir Cowasji Jehangir:** May I know whether the Commerce Member can go now to do his work? He has got lots of work to do in his office.

**Dr. Sir Ziauddin Ahmad:** I know that you are in business with him.

Now, Sir, first of all, I would like to deal with the question of exodus to Simla. It is a very small matter, and I do not press it from pecuniary considerations. I know it costs some money. In fact, it costs more money than the Finance Member will be able to get from his duty on artificial silk thread and yarn. But that is not the point. The point is that at this time of emergency it is not desirable that the Government should be 24 hours behind time. Anything may happen at any moment. Therefore, this year they ought to be here and always ready to meet any emergency that may arise.

Now, I come to the point raised by my friend, Mr. Griffiths, namely, propaganda, in one of the cut motions to which a reply was made by the Honourable the Home Member, and we had no opportunity to discuss this question. So, I would like to take it up now, because it is an important matter. Now, my friend, the Finance Member, must have read in his book of logic whether logic is an art or a science? I also read a good deal about it in Thompson's Logic, and the reply was that it is both art and science. The same is the case with propaganda. The question is whether propaganda is an art, or whether it is a science? And the reply is that it is both an art and a science. I have followed the subject of propaganda a good deal in Germany soon after the great war. I will tell you how it was developed in Germany, and it may open the eyes of the present Government so far as propaganda is concerned. In 1921, I went to see my old Professor Klain, whose name must be familiar to Mr. Griffiths. He said that the Germans were not defeated in the war by the military power of France or England, but they were defeated simply by the propaganda of Lord Northcliffe. That was the opinion that he expressed at that time. Then, he said that the kind of individuality and commonsense which English people have developed is acquired in their public schools. So, they immediately established a number of public schools in Germany which did not suit the Germans at all. They survived for some time, and then they disappeared. You will be surprised to know that in the German language there is no word for "commonsense". When I was attending a course of lectures on education in Germany in 1905, the Professor asked me: "What is this Englishman's commonsense?" He said he did not know anything about it. So, they have got absolutely no word for "commonsense", and they have got no idea about its significance. Therefore, the idea of the development of individuality and commonsense is outside the scope of the German people. Then, the other thing which you have to keep in mind is this that they have no debating societies at all.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member may leave German institutions alone.

**Dr. Sir Ziauddin Ahmad:** I am afraid I cannot describe this propaganda work without referring to them. Afterwards, they had a gathering of professors and students and they decided to start a debating society. Having done that, they had a meeting of the debating society and the subject discussed was "death duty". We discussed this subject for five hours and could not come to any decision. But it never entered into their head that the question could be decided by votes. When I said this to my Professor, he said how could a big subject like this be decided by votes. It could only be decided by arguments and so on. Therefore, the idea of

deciding a question by votes is foreign to the German people. They only want orders which are to be executed.

Now, to come back to the subject of propaganda. As soon as the last war was over, they realised that their chief deficiency was public schools and propaganda. So, they immediately established a Ministry of Propaganda. They appointed Professors for propaganda in various Universities. These Professors delivered a series of lectures to the students on the subject of propaganda, including the way in which it should be developed on one aspect of which Mr. Gwilt laid so much stress in his speech the other day. On this particular thing the Government are perfectly silent. They do not know what is an Intelligence Department, what is an Information Department, and how these things are to be developed when the time comes. They suddenly wake up and begin to develop. They do not approach things in a regular or scientific manner. They do not observe what other countries have been doing after the Great War. I, therefore, suggest that our Government should have a regular plan carefully thought out. At present the Government have thoroughly failed in their propaganda work. It is desirable that we should be up and organise regular propaganda and bring in the Intelligence Department, the Information Bureau and the Radio all under one head. We should devise ways how to get over the difficulties. There is an enormous stuff coming out from Germany and Italy on the radio. I approached the Information Bureau and suggested that something ought to be done to counteract this propaganda. The Germans and the Italians have their own particular programme at a particular time. On the same wave length two things come. If you have some other programme in the same wave length by people having similar voice and place them at a particular place with particular wave length, and if this is done, you will counteract the propaganda of the Germans and Italians who are daily giving out poisonous news against our Government. We can tackle this question if we take it up seriously. My complaint is that the Government have not investigated this subject in a scientific and regular manner. They ought to have consulted Press representatives. The Press ought to have been taken into confidence. The Information Bureau should not be considered the close preserve for recruits from the *Pioneer* as it is at present. Other papers also should be given a chance. I cannot sufficiently emphasize the importance of this propaganda at this particular moment though we have done nothing so far. It is very desirable that we should be active. We ought to devise a better system of getting information, a better system of spreading information and a better system of stopping the propaganda of other countries. In this connection, I should remind the Government that they should exercise greater vigilance over foreigners who come here as refugees, Jewish or others. They should be carefully selected. When the British took up the refugees from other countries with open arms, the Germans subsidised some of these people and sent them as refugees in order to get information. Some of these people who have entered England and India are not really *bond fide* refugees, but they are really informants paid by the Germans. In admitting them to the Army or to the Civil Services, greater attention should be paid to this particular fact.

Now, I come to census. I am not going to repeat what my Deputy Leader said already. I only want to add a few words. It has come to the notice of some of the members of our Party that one responsible person who is in the know of things at Lahore said that one enumerator

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alone filed 6,000 bogus papers to swell the number in the census. My Honourable friend, Sardar Sant Singh, said the other day frankly that in a house which could not contain even ten persons, the inmate said there was a marriage party consisting of 100 persons staying in that particular house. My Honourable friend, Maulvi Muhammad Abdul Ghani, already said that we the Members of the Assembly have not been included in the census, because we are supposed to be neither in Delhi, nor in our own houses in our constituency. We have also got information from Calcutta from the Premier Mr. Fazlul Haq that about 1½ millions of people were not counted at all. This being so, we will have really great difficulties to arrive at correct figures of census. We have really to find out a method by which we can arrive at the correct figures from exaggerated entries. Either the Government should say that the census figures of 1941 will never be included in the official report, in which case nothing is required to be done, the whole thing can be scrapped or we should remove the discrepancy and arrive at correct figures. You know of Alburein, the great mathematician, who, when he went round various places, found exaggerated stories related to him about various events. Then, he suggested, and sometimes he invented a mathematical formula by means of which these exaggerated stories could be reduced to probable facts. By Newton's formula of interpolation or by some other method it is possible to reduce these exaggerated facts into probable truth. Either you should invite people to reduce these figures to probable truth, or you should declare the whole census to be null and void and let it be by a notification from the Home Department that these census figures of 1941 should not be quoted in official reports. The one or the other thing is desirable under the conditions which have been mentioned on the floor of the House.

Now, I will say a few words about the Department of Education, Health and Lands. The first thing to which I wish to draw attention is about the Central Advisory Board of Education. This Board is doing useful work. It has written a very good pamphlet on the Wardha Scheme. We have got the Wardha Scheme, we have got the Abbott-Wood Scheme as well. The authors of the Wardha Report and those who supported the Abbott-Wood Report met together and drafted a good report which is a *via media* between the two. These reports ought to have been widely published. We have got a very good work done about technical terms used in translation, into vernacular. We have got very good work done in the mathematical text books published in Hindustani and other languages. I think it is very desirable that these things should go outside the cloisters of the Secretariat and the educationists and others who are engaged in the field should become familiar with them. So, I suggest that they should have what they used to have in the old days. Pamphlets should be issued from time to time on various topics which should be available to educationists who care to read them. Therefore, the work done is good, but the advertisement is poor. I do not blame them, because the whole propaganda of the Government of India is faulty, and, therefore, the propaganda of every branch of the Government of India should also be proportionately faulty.

Then, I come to the Delhi Municipality. They have got six committees for municipalities and notified areas, out of which only one committee has got a representative of the people, while all the others are nominated.

In these days it seems desirable that we should fall back more and more on the representatives of the people, specially in the administration of municipalities and notified areas. I will remind the Honourable the Secretary of the Education Department of the despatch written by Lord Curzon when he first emphasized the introduction of these local bodies. He said very clearly that he knew that the administration of local bodies would be bad and corrupt, but at the same time he would face corruption and bad administration in order to teach people to administer local affairs themselves. Under this principle also I think it is desirable that we should introduce the system of election in the local bodies.

My next subject is the administration of hospitals, specially the Irwin Hospital and Lady Hardinge Hospital at Delhi. This is a serious matter, and I draw the solemn attention of the Honourable Member to this question on which I feel very strongly. In Delhi, the best brains of India gather, Europeans, Hindus, Muslims and others. Even those who are not here permanently come occasionally to attend the innumerable conferences and meetings convened by the Government of India and it is desirable that we should have here a very good and efficient medical staff. We should have here at least three first-class physicians and three first-class surgeons. These three physicians may among themselves represent the various kinds of diseases, one may be an expert in ear, nose and throat diseases, because we have nobody in Delhi now who may be called an expert in throat diseases, the other may be . . . . .

**Lieut.-Colonel Sir Henry Gidney** (Nominated Non-Official): That is not right at all, and it is not fair to criticise in his absence a medical man in this unfair and unsporting manner. There is an ear and throat expert in the Irwin Hospital, and, as a doctor, I know better than the Honourable Member his excellent qualities.

**Dr. Sir Ziauddin Ahmad:** The Honourable Member should better wait and speak in his turn.

**Lieut.-Colonel Sir Henry Gidney:** The Honourable Member would not like me to tell him when he was the Vice-Chancellor of the Aligarh University that he was unfit to do his work. We have got a really good man at the Irwin Hospital.

**Dr. Sir Ziauddin Ahmad:** We want really to have some kind of experts attached to the Irwin Hospital where the people usually go. I do not really want to say anything against any medical man . . . . .

**Lieut.-Colonel Sir Henry Gidney:** But he is defaming his own countryman, an Indian.

**Dr. Sir Ziauddin Ahmad:** I am not criticising any one, but I do press that we should attach to the Irwin Hospital three good physicians who will represent among themselves the treatment of various kinds of diseases and three good surgeons. That may not necessarily be from the service, but may be recruited even from among private practitioners. The important thing is that the Irwin Hospital should be made up-to-date. It should be a hospital where any European or Indian living in European style may be able to go, and it should be made a sanatorium as good as any other in this country. So I think we should have a good advisory committee.

**Mr. M. S. Aney:** What about Indians living in orthodox style?

**Dr. Sir Ziauddin Ahmad:** At the same time there should be arrangements for good and efficient treatment for those people who cannot pay. There should be a ward for them where they will get everything free as is found in many other hospitals. Then, there should be a very good and strong governing body consisting of both medical and non-medical men, so that all shades of opinion may be represented. The staff should be sufficient and should include experts in every branch of the profession, for the benefit of the people who reside in Delhi, as well as those who come here for official purposes. They take young graduates from Medical Colleges and give them a preliminary training, but they cannot be given independent charge as they are given in this hospital. We had the other day two motions of adjournment on this subject, but they could not be discussed as 25 Members did not stand up in support. But that does not simplify the thing, and, in the interest of public health, they should have an efficient staff which should not be inferior to that of any other hospital in this country.

I now come to the problem of education in Baluchistan, where the money is not spent in the most economical manner. Casual reference was made to this matter by one Honourable Member at the time of the general discussion on the Budget, but it was not discussed in detail. I will draw attention to a few important points about education in Baluchistan. In the first place, education there is most expensive. On page 118 of the "Progress of Education in India, 1932-37", I find that the total annual cost of education per pupil is the highest in Baluchistan. It is Rs. 62-4-0 as against 15-4 for the rest of India. Even in a place like Ajmer-Merwara, it is 42-19. With such an expensive education, we should expect better results, but we find that the education is practically stationary. On page 17 of the Statement of Educational Progress in British India, I find that in spite of the heavy expenditure per pupil the number remains almost stationary. That is, in 1932-33, it was 2-48, while in 1938-39 it had gone down to 2-42. So, in spite of the heavy expenditure, the number has not gone up . . . . .

**Mr. J. D. Tyson** (Secretary, Department of Education, Health and Lands) : Would the Honourable Member mind repeating the two dates?

**Dr. Sir Ziauddin Ahmad:** I have got the figures for 1932-33 and 1938-39—the latest figures available in the Library. As regards female education, the position is still worse. It was 1-02 in 1932-33, and it has come down to .75 in the year 1938-39. So, in spite of the very heavy expenditure per head in Baluchistan, the results are not very satisfactory and no progress has been made.

I come now to Muslim education in Baluchistan: it is given in the progress report, and I quote from the figures given there—on page 184. The Muslim population is about 87-4 per cent. there; and the percentage of Muslims in the year 1931-32 was 1-5, while, in the year 1936-37, it has been reduced to 1-2. In these five years it has degenerated by .3 points . . . . .

**Mr. J. D. Tyson:** Are these the figures of literacy that are now being quoted?

**Dr. Sir Ziauddin Ahmad:** I am not giving the figures of literacy: literacy is not given here. This is the percentage of the pupils to the total population. The normal figure is 15—but we have got here 1·5.

Another thing on page 184 of this book is that Baluchistan is last in the list. The figure for the whole of India is 5·2, and the lowest figure is Baluchistan. Therefore, this is a place which demands the attention of the Education Secretary. The educational condition of the Muslims in Baluchistan is so low: compared with that of Muslims in other provinces, we find it is very poor, and it requires the serious consideration of the Education Secretary. When I turn over these pages, what do I find? I find on pages 186 and 187, etc., that there is not a single Muslim either in College or in any institution whatever, law, medicine, education, engineering, agriculture, commerce, technology, forestry, veterinary, etc. It is, therefore, desirable that the Government should pay serious attention to this state of affairs. I wish to suggest one thing that the system of grants there should be thoroughly revised. The system requires fundamental change in principle. The principle there is that the Government give half the money if the other half is collected by the school; the result is that those who are rich become richer, and those who are poor remain for ever in oblivion. If the rich can collect 50, then they get another 50 and they get benefited by the present rules; while those who cannot get 50 will remain for ever in oblivion and ignorance: no grant will be given to them. You follow the principle which you yourselves have devised for the United Kingdom. There the grant is given not on what you can produce, but on what you require; and sometimes cent per cent. is given. The rule ought to be revised and the grant should be given, not in proportion to the money we can raise, but in proportion to the need and the necessity of the people. The result of the present policy is that missionaries who have some money behind them, and the other communities such as the Sikhs and Sindhis who have got plenty of money get the benefit of the grant, and they very much lower the figures . . . .

**Mr. Lalchand Navalrai** (Sind: Non-Muhammadan Rural): It is all in your pockets now.

**Dr. Sir Ziauddin Ahmad:** You are also in my pocket?

Then, there is one other point: the grant should be divided in certain equitable proportions among the different communities inhabiting Baluchistan: it should not be a monopoly for missionaries and Sikhs to get the entire grant. If they follow the present principle, then the result will be that the cost per head will go up, but the net result will be the very minimum.

As regards archæology, the less said the better. I know that there are other Members who are dealing with this subject, and I only wish that the Honourable Member should always keep on his table a copy of the Worby Report and see what it contains. I am glad he has it in his file just now: I hope he will also keep a copy of the questions and answers and then probably some improvement may be made.

One more point, before I finish with Baluchistan, is that we tabled a Resolution which unfortunately did not come in the ballot, in which we wanted to urge the Government and draw the attention of the Foreign Secretary that a committee should be appointed on the lines of the

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Bray Committee in 1922, to consider what improvements can be made under the existing conditions. We cannot remain ignorant and idle about that part of the country which has now been entrusted to the care of the Central Government. They should do something for them, and at least to begin with, they should do two little things—revise their system of grant and spend more money and appoint a committee of inquiry on the lines of the Bray Committee; and we should wait for this report and then can discuss on the floor of this House what we can do.

I will take the Supply Department later, but there is one point to which I should like to draw the attention of the House in the presence of the Honourable the President, and it is this, that the members of the Opposition have now got definite complaints that the programme of the Government is not communicated to them in time. I think the Government should take note of this fact that whenever they send out notices of meetings, they should at least give us an indication or some idea of the important measures it is proposed to be introduced in the Legislature. We on this side have no staff, we cannot carry all the books from our home library to Delhi. If we get some definite idea beforehand about the legislative measures which are going to be introduced in the coming Session, then it will keep us on our guard, and we will be able to study the problem, consult our constituencies, and we shall be in a better position to express our views here. For instance, today two very important Bills were hurled at us without any notice, and I think it is very unfair to throw at us these two important Bills without the slightest previous indication that they would be brought before the House this Session. The Government ought to have given us some indication, long before, of their intention to introduce these two important Bills, but now they will say they have no time and the Bills must be finished in one day. I think this is very unfair. I think the Secretary of the Legislative Department has got a copy of the programme in his pocket, but he does not reveal it to us, and I think it is very unfair for the Government not to tell us beforehand what their programme is. We know what is the practice in the United Kingdom. Notices of all important legislative measures are always communicated to the Members well in time, particularly if there is anything of an urgent nature. But in ordinary matters we must be given some time, so that we may think over the matter before expressing our opinion. I hope the Government will take note of this complaint and communicate to us their programme, whatever it is possible to communicate to us, before they convene a meeting. At least on the first day of the meeting the Government ought to give us some idea as to what legislative measures they want to bring forward during the Session. Of course, it will not be binding on them to stick to it,—they can change the programme if necessary,—but then we will get some kind of idea beforehand. That is one point.

Then, the second point to which I want to draw the attention of the Honourable the Leader of the House is that the time allotted for the discussion of the Budget should not depend upon the number of Members present, but upon the importance of the Budget, and, as Leader of the House, he ought to communicate to the Governor General in Council that it is the desire of the Members of this House that the time allotted for the discussion of the Budget ought not to be curtailed, and I think it is very desirable that we should have sufficient opportunities to discuss the Budget.

Then, the next point I should like to take is about the Law Member. I will take it up in the afternoon.

**Mr. President** (The Honourable Sir Abdur Rahim): The Assembly now stands adjourned till Half Past Two.

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

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

**Dr. Sir Ziauddin Ahmad**: I shall now deal with the subjects coming under the portfolio of the Leader of the House. I do not know who is present here representing the Supply Department. I shall take up the next topic, namely, the administration of Delhi, and I understand that that comes under the portfolio of the Honourable the Law Member.

The administration of the Delhi Province is now conducted under the Delhi Administration Act of 1912. One clause in that Act is:

"The Chief Commissioner may by notification extend with such reduction or modification as he thinks fit to the province of Delhi or any part thereof any enactment which is in force in any part of British India at the date of such notification."

This really means that whenever the Chief Commissioner desires, he has got the power to enforce any enactment from any province whatsoever. I have got before me the Delhi Improvement Trust Act. It is taken—at least it is said so—from the U. P. Improvement Trust Act, but they have introduced certain clauses from Burma, some clauses from Madras, some from Bombay, and some from some other provincial Statutes. So the mixture becomes a law which nobody recognises. I think the U. P. Improvement Trust would certainly refuse to recognise the Improvement Trust of the Delhi Province. It reminds me of a cartoon which appeared at one time in the *Punch* of the United Kingdom. There was a scandal in 1904 about potted beef that came from America, and there were a series of articles to the effect that they were prepared from dogs' meat or the meat of some other animals. The cartoon had a picture of a tin of potted beef and there was the head of a bullock outside it. The bullock from the potted beef shouted, "I am thy brother". The real bullock, turning his head back, said, "I refuse to recognise thee". The same is the case here. The Delhi Improvement Trust may tell the U. P. Improvement Trust, "I am your offspring", but the reply that it would get would be, "I refuse to recognise you", because it is composed from so many different provincial Statutes. Therefore, it is very desirable that we ought to devise a better system of administration for the Delhi province. I can quite understand that the Central Government should have a location of its own, and the administration may be directly under the Central Government. I do not object to that. At the same time, there should be a good administration, there should be a rational administration, an administration according to the present times. Here there is no Legislative Assembly, there is no Advisory Committee, there is nothing. The powers which were given to the Governor General in Council have now, under the orders in Council, been transferred to the Chief Commissioner, and the Chief Commissioner may take anything he likes from any province and enact it. So, it is very necessary that we should look into the matter. The Improvement Trust of

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New Delhi is a thing which has become scandalous. Here we have got a land acquisition officer, who is the Secretary, who is the sole authority. The power of appeal which is provided in the case of the U. P. Trust is taken away. This is a thing which requires careful consideration, and I think the administration ought to be improved. The powers which they had taken in the year 1912 might have been suitable to that period, because there was no enlarged Legislative Council. But after the Montague-Chelmsford reforms and the enactment of 1935 Act, when we have introduced Provincial Autonomy, I think it is not desirable to continue in 1941 an administration devised in the year 1912, and that requires serious consideration.

I now come to the Supply Department. I start with the fundamental principle that we have now reached a stage in the war when all efforts should be co-ordinated and when all our resources should be marshalled to one common object, namely, that we should win the war. I assume that the Members of the Government of India are now determined to place all the resources of their respective Departments for the attainment of this common object. A subsidiary point which arises in connection with that is that we should place our resources without any condition, and the present system of putting the resources under certain conditions, that its individuality should remain intact and it should be given back in its original form after the war—I do not call this co-operation, but it is obstruction. We used to have two purchasing Departments, one belonging to the military, called the Director of Contracts, and the other belonging to the civil, called the Indian Stores Department. These have been co-ordinated together, but the owners of these two Departments gave them to a common pool on this condition that their organisation should remain intact and they should be given back to them after the war. This condition, I think, is responsible for a number of difficulties that have arisen in the working of this Department. We want a co-ordinated Department, never mind what the past history of these two Departments may be. It is impossible to foresee what would be our organisation after the war is over. It depends upon the circumstances which may arise then. So, to lay down at the present moment a condition that these two Departments should work in such a manner that their individuality should be kept up as far as possible, and they should be handed over to the respective owners after the war is over, is a great mistake. I think we should now devise a co-ordinated system by means of which these differences should disappear.

I shall now proceed to narrate in what way this system is working to the disadvantage of efficiency. We have no doubt got a Member in charge of the Supply Department. After the Department was started, pressure necessitated its division into two Directorates, one at Delhi, and another in Calcutta. Further pressure necessitated the co-ordination and fusion of these two Departments. The military authorities and the Indian Stores Department agreed to co-ordinate on one condition, that they should be run in a manner that after the war their Departments should be given back to them. The condition, as I said, is not co-operation. It is obstruction. What is needed is a Central organisation for the co-ordination of all our efforts in the matter of supply. We should use the experience of men previously engaged in purchases under two different organisations. We should change the names of the officers to

get rid of the old tradition. Now, in the first place, I think it is very desirable that we ought not to retain the names that have been given to them, while the Department of Director of Contracts was under the Master General of Ordnance. Now, to give the military title in the Department of Supply is really lowering the dignity of the titles of the military rank. I belong to the Education Department, and I think that if any University or Vice-Chancellor gives the title of a Professor because he is good in purchasing stationery, and the title of Reader because he is good in purchasing ghee or other food stuffs, or medicine for the college hospital, and the title of Lecturer to a third man, because he is good in purchasing materials for building, I think all the teachers of the University will wait upon the Pro-Vice Chancellor and say: "All right, if you call him Professor, spell it with two ffs, if you call him Reader, spell it with three ees, and if you call him Lecturer, spell it with a K, and do not confuse us with the real Professors, Readers and Lecturers". We are doing more injustice to the really military department by adopting the military ranks in this small department for this purpose. Not only I, but the people have got a very high opinion about the military ranks in this country. Whenever we call a man a Colonel, he commands respect. A Colonel really means, he is a great patriot. He serves the country at the risk of his life. He is a person who has gone through all the stages of military discipline and lived a life of respectable poverty. His wealth consists in the respect which he commands. Now, a Colonel in the Supply Department, which I say should be spelt with a "K" and not "C" is a person who never handled a rifle in his life. He does not know how to walk straight. He is rolling in wealth. His uniform is filled with pockets—his greatest glory. He is happier in war time than in peace time, and I suggest that if you insist that military rank should be given to these persons, in these departments, then we should devise a different system. Now, here a person can be appointed straight as a Staff Captain. Then, within a year, he can be made a Major, and, in the next few months, he is appointed a Colonel. Not only this, but we were told on the floor of this House that it is also possible that a Colonel may be degraded to the position of Major. This is a thing which at least I cannot understand. A person who holds the title of Doctor may lose that title and he may be called an M. A. A student who has passed his M.A. may be degraded to the position of B.A. This is a thing which is possible only in the Supply Department, and not possible anywhere else, and I think the system is fundamentally wrong. They say that they have got a small cadre, and within that cadre they should have promotions. That is all right, but why on earth must you maintain the military ranks. Why not adopt the civil names in place of that. In case you don't adopt the civil names and you must have military rank and military uniforms, then, for goodness' sake, coin special words, so that we may distinguish that these are not real Colonels in the proper sense of the word. I do not believe that half of them should get a military rank and half of them civil titles. If that be so, then the Leader in charge of the Supply Department, I mean the man who is in charge of these things, should be called Field Marshal. That will be a misnomer. So he should really be called Supply Marshal, if the people insist that military rank should be given to every officer in the Supply Department.

**Lieut.-Colonel M. A. Rahman** (Nominated Non-Official): Would you agree to the rank of Brigadier to the members of the Advisory Committee of the Supply Department?

**Dr. Sir Ziauddin Ahmad:** I come to that. Then, what about Mr. Jenkins? He should have some rank. He is very much buried in files—His files and God save the King. So, you call him the File Marshal if you like.

**Lieut.-Colonel M. A. Rahman:** Brigadier of the Salvation Army?

**Dr. Sir Ziauddin Ahmad:** I would depute Colonel Rahman and I would request the Honourable the Leader of the House to take his services to find out what should be the suitable titles for the various members of the staff of the Supply Department. I think the simplest method is this. Follow the practice of the Civil Departments. Give them the civil ranks,—Secretary, Deputy Secretary, and so on, and if any one of them happens to hold the military rank, of Colonel or Major, he should continue to hold the military rank; because by joining the Supply Department, he does not lose the military ranks. Therefore, the ranks in the Supply Department should be civil, with the exception of those few persons who otherwise happen to hold the rank of the Military Department. That is really the first point.

I now come to the second point, namely, the adoption of a system by means of which the working can be made more efficient and corruptions may be avoided as far as possible. Now, I raised this question about corruption, and I was told several times: "Give them a case and they will handle the case immediately", but it is very difficult for anybody to bring a suitable case. Now, this question was investigated by the Acworth Committee in connection with the railway employees and they said that if conviction of the bribe taker in a law court were the only means of stopping the practice, it would evidently continue indefinitely. If normally the only witness against the bribe taker is the bribe giver and he is *participus criminis* and equally liable to punishment, he can hardly be expected to come forward to give evidence. Really speaking, if you want to remove the corruption, it is very desirable that you should have your own inquiries and take steps and don't wait for the proof, because the proof will never be forthcoming. Nobody will come forward to say that he offered to give the bribe. The man who offers the bribe will never do it, because he may be put in the black list . . .

**The Honourable Sir Muhammad Zafrullah Khan** (Leader of the House): I have given repeated assurances that he will not be put on the black list and he should suffer no prejudice.

**Dr. Sir Ziauddin Ahmad:** I was given such assurances many times in other departments. I know what would be the result, but at any rate even the assurance of my Honourable friend will not convince those contractors because they know what the result would be.

**The Honourable Sir Muhammad Zafrullah Khan:** Then, what does the Honourable Member suggest—punish on suspicion?

**Dr. Sir Ziauddin Ahmad:** The point I have made out is that there should be civil ranks, so that we may not have these absurd promotions. What I want to say is that we have now created a system by means of which a business man cannot carry on business honestly with the Supply Department, and this I am now going to elaborate. In the first place.

you have a complicated system for enlisting the names. Now, here is the first difficulty, and a number of cases have been reported to me about the difficulties and the manner in which names have been enlisted, and I think we should adopt a liberal policy in these cases. Any person who has got a good bank reference, who can prove that he is a business man, should have no difficulties; I think there should be no difficulties in enlisting such names, and it should only be insisted upon that the conditions which they prescribe ought to be followed. Now, the second point is the passing of the specimens. Whenever a specimen is sent to the Supply Department, it is sent for testing or approval, in the case of foodstuffs, to Kasauli, and in the case of other articles, to Cawnpore. Here the Honourable Member has got a method of asking. He knows a number of persons of the Supply Department from whom he can make inquiries. The Finance Member has got a number of his juniors in the Finance Department. He can ask them privately whether they would not give up the whole of their salary to the war funds, if instead of checking the accounts, they are given some hand in the purchases and inspections. The Commerce Member is there; he has got very wide sources of information. Now, if by private information there comes to be a *bona fide* ground that the system is wrong, then I think we ought to apply our mind, and I will tell you how this could be improved. Now, the system of testing, of proving the specimen, ought to be the same as we follow in the universities for the examinations in the case of answer papers. Instead of having one centre, you have more than one centre for the testing of these specimens. Instead of sending all the foodstuffs to Kasauli, appoint two or three places—Kasauli, the Agricultural Institute, Delhi, or some other places, and then in the case of the other test, it should not be confined only to Cawnpore, but you should open it at Cawnpore, Calcutta, Delhi and Bombay, and now, as soon as any article comes to the Supply Department, then, just like the Registrar of a University, they should take the name off. They should only put on a roll number, as we always do in the case of the examination papers, *viz.*, that the original number, the original roll number and the names are always kept confidential and an artificial roll number is put there, so that the man testing will not know anything about it and then he will not know whether his specimen was sent to Cawnpore or to some other centre. It might be sent to another centre or two places simultaneously if possible. Then, the time should be recorded; the time when these specimens were sent and the time when they were received should be recorded as they record in the case of the answer papers, and whenever there is any undue delay, attention should be drawn and the results should come out within a prescribed time. So if you take the assistance of any Registrar of a University and adopt the method which we use for examining answer papers and keeping the names of the persons anonymous to the people who carry on the investigation, then you will improve the system to a very large extent, and the thing which is now common, *viz.*, that nothing will be tested till the private fees for testing is paid according to the importance of the commodity, will be obviated. My suggestion is that in the case of testing these articles, whether foodstuffs or otherwise, it should not be at one centre, but it should be at more than one centre, and then the names and even the addresses and any kind of sign should be kept confidential with the people to whom it is sent, and only an artificial number should be sent, and then afterwards you should

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accept the results within a reasonable time. I know the Honourable Member has introduced some improvement in this direction, but till now some of these results were not received even for six or eight months or even a year. I know definitely of one case where the sender did not get any reply—a very reliable person who refused to enter into business; they did supply things before to the Supply Department, but now they refused to carry on business with that Department. That is really my suggestion No. 1. My suggestion No. 2 is about the specifications. Now, the specifications at present are drafted by the Inspectorates, and I think it is desirable that they should be drafted independently by some persons in the Supply Department who are experts and they should be put in simple language and avoiding Latin names as far as possible, so that it may be intelligible to every person, and they should not be in the language of the oracle of Delphi—who always put his statement in a manner which may be understood in either way; and I think if you put the inspection and the drafting of specifications in one person, then they will always put some kind of loophole so that they can get hold of the contractors under some particular small clause. The specifications should be drawn up in very simple and easy language so as to be intelligible to everybody, and they should not be drawn up by inspectorates but should be drawn up by the Department of Supply. In some cases the specifications are drawn up in such a manner that only one individual can fulfil those conditions. I think my friend will remember that in a certain institution the post of director was vacant and the officiating director who wanted to become permanent drafted a specification in such a manner that he was the only person who could specify all the conditions, and nobody else. Now, when these specifications were given out from the applications we received, I happened to be on the managing committee, and I was always reminded that this did not fulfil this condition and that condition, but that all the conditions were drafted by the man who drafted the specification. The second suggestion was that the specifications ought to be drawn up, not by the Inspectorates, but by certain officers in the Supply Department, and they should be in simple language, and if ever my Honourable friend would agree in increasing the number of electorates from three to four, and the Supply Department Committee may go into instances, then these specifications should periodically be examined by the members of the Supply Committee.

**The Honourable Sir Muhammad Zafrullah Khan:** Then God help the suppliers.

**Dr. Sir Ziauddin Ahmad:** It is not the supplies—it is the specifications.

**The Honourable Sir Muhammad Zafrullah Khan:** Oh, yes.

**Dr. Sir Ziauddin Ahmad:** The Committee will only see the language, they will not have anything to do with the specification, that is not to be in the language of the oracle of Delphi, so that it cannot have two different meanings, and there is no loop-hole for getting hold of the contractor at the last moment. The third point is rather important.—that your system of inspection and the system under which you employ the persons is very faulty. Now, you have employed for a very important work inspectors on daily wages . . . .

**The Honourable Sir Muhammad Zafrullah Khan:** Surely the Honourable Member has not forgotten that I have dealt with every one of these matters on the Supply Department cut motion and told him that I would look into this matter. It is no use churning the same water over and over again.

**Dr. Sir Ziauddin Ahmad:** I agree that every inspector is not on daily wages; there are some inspectors who belong to the permanent staff, but still it is not correct to have even one person on a daily wage, because these are rather important offices and we should try to improve it; it is no use to shut up our eyes from facts, it is no use to say, as it is often said, that there were great scandals during the previous War, that profiteering during the Great War was much more than the profiteering at the present moment. In those days there was no popular Assembly, but we are in a different position now. All these things are exposed to the public and they cannot be allowed to pass in the manner in which they were allowed to be passed in 1914-18. Therefore, we should make every effort to improve the position. If you really want the co-operation of the public in this matter, then it is your bounden duty to concentrate your mind to utilise the resources of the country in the most economical manner. Anyone who shuts up his eyes is not loyal to the country. He is certainly not loyal to the tax-payer, and not loyal to the whole business. With regard to this Inspectorate I was talking about, we should stop altogether the system of having any Inspectors on daily wages. There must be a regular permanent staff as we did in the case of the Indian Stores Department in days gone by. I do not mind if they are military officers or they may be drawn from the old Indian Stores Department, but it should be a responsible body and should be on permanent staff. They should not enjoy an income on which no income-tax can be levied, but they should draw an amount on which they should pay the income-tax. An inquiry should be made in this, and then things will be set right. That is really very desirable and we ought to do it.

My next point is that you will have to develop new industries. Your Director of Purchase should really find out important articles. Some of the specimens are passed by your Chief Controller or Chief Examiner immediately, but some of them take a long time to get through. The system that we would like to have is that all these controlling officers in Lahore, Bombay, Calcutta and other places should send all the specimens to the Centre, and, without mentioning the names, they should be sent to any of these other places for testing, and an early reply should be asked for. That is the next improvement that I wanted to suggest. As I said, the inspection should be improved, and there should be an appeal from the Inspector to some higher authorities, so that, if any person is aggrieved from the point of view of inspection, he should be able to appeal to the higher authorities in the same manner as we do in the case of examinations. If any candidate is not satisfied with the marks given by the examiner, he has got the right to have his papers re-examined.

The last thing that I wish to suggest is that we should improve the system of tenders. We have two systems of tenders,—the open system and the negotiation system. What we call "limited tenders" should be done away with as they lead to favouritism. I want the Honourable Member to introduce these changes in the Supply Department if he wants to minimise the corruption. Do not wait for me to prove the corruptions that are going on. You have got better sources of information

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than I have. I am certain that you already know what I am telling you. Institute an inquiry, and, by means of your Intelligence Department, find out the facts of the case. Then, punish those who are responsible for the mistakes, and you will find that the whole country is behind you.

**Mr. Amarendra Nath Chattopadhyaya** (Burdwan Division: Non-Muhammadan Rural): Sir, we have been hearing the discussion on the Finance Bill for the last four or five days, but we have not yet been able to come to a decision whether the several taxes mentioned in the Finance Bill and the amount to be borrowed to balance the Budget will be profitable for our purposes or not. Sir, the Finance Bill is practically a Memorandum of taxes in connection with the Budget, and it is a pity that we have no voice either in framing the constitution, or in framing the policy of taxation. So, when the Finance Bill comes before us, year after year, we have to take it as it comes. Even if we throw it out, it will continue to operate as it is framed. Nothing can be changed, not a comma or full stop, even if we oppose it by majority of our votes, and that has been our experience year after year. To me it seems that it is the duty of the Finance Member to indicate in his Budget speech the real financial condition of India and on the actualities to decide the future possibilities of our administration.

The Government of India Act has created a very anomalous position. In the provinces the Provincial Autonomy is going on, but that is not the case at the Centre. In the Centre we are thinking in one line and the provinces are going on in their own way quite on a different line. The old fiscal system remains and really we do not know on what lines we should discuss this Finance Bill. Not only the fiscal system remains as it was before but the defence also remains the same. We cannot have any voice in the defence of our own country. Whatever the Government propose to do, they do it whether we accept it or not and whether we feel it to be really beneficial to the country or not.

The Congress Party is not present in the House today simply because they thought that it was not worth their while because the Government did not condescend to accept any of their proposals or demand. But, personally speaking, I feel that the Congress should not have given up the Ministries in the Provinces at this moment and should not have absented themselves from this House. It is a pity that we cannot really give the required emphasis on or force to this matter without them. India today is feeling utterly helpless despite her infinite possibilities.

Sir, the war is going on in other parts of the world and it is said that the war is being fought for the sake of democracy and for the protection of civilisation and in the name of culture and all that is held sacred by humanity. But here in India 400 millions of people stand as slaves subjugated by a foreign power and made to stake their all for the sake of this war. Willy-nilly they have to do it. They are helpless. To speak the truth, there is no inducement held out before India to take any earnest part in the war. If India's national aspirations were respected, she would willingly help England.

Now, Sir, what is the economic position of India? Have we got any economic felicity compared with other countries? It is dinned into our ears that India is an agricultural country and as such it cannot compete

with industrial countries in the world. It cannot economically prosper as other industrial countries. It is due to the propaganda of interested people that India has all along been painted to be an agricultural country. Formerly India has been both an agricultural and an industrial country. India had been a self contained country formerly. India was in a flourishing condition both agriculturally and industrially and she used to send abroad her industrial products. India's industry has been slowly ruined. That is a sad story and every one who has read the history of India since the days of the East India Company knows very well how our industries have been ruined. Since the administration has been transferred to the Crown, the exploitation has gone on unabated for centuries and today India stands purely as an agricultural country. How can India feel any enthusiasm to help the Englishmen in this war? Even at present there is no response from the Government with regard to the future possibilities of India. I therefore, suggest, that the Honourable the Commerce Member should give us first of all, information if he is privileged to do that, about the economic programme and policy for India's economic benefit in the future. He spoke yesterday and his speech made a great impression that he has been trying to do some good, that he has been trying to give us some hope on economic grounds, but that he could not give us anything regarding future of our shipping. We have been told that something will be done after the war. But that something which might be done after the war would not satisfy India. India expects a fair deal now when she is trying to help England. India is now giving everything in the shape of assistance to England. India helped England in the last Great War and since all pledges have been broken in the past, India cannot now rest on promises of the future. She demands positive something to be done here and now. It is not a difficult thing to do that something positive here and now. Where there is a will there is a way. The world is undergoing rapid changes, but India knows no change. Her interest continues to be the same for centuries. Whatever may be the scientific discoveries in the world, whatever may be the progress in other countries, the Indian agriculturist remains the same, dragging along a miserable life from day to day, bereft of the use of knowledge brought about by scientific advancement in the west, bereft of all the good that comes in its wake. The inefficiency of India's agriculture remains the same, the ignorance and helplessness of the vast majority of Indian people remains the same, the dependence of Indian people on foreigners remains the same, the appalling poverty continues the same through centuries and yet there is a Government which calls itself civilised and well-organized, looking on apathetically and creating divisions amongst us. This Government has proved itself to the hilt to have been a Government for exploiting the country and for not doing any good whatsoever to this country. Yet this country is asked to stand by England at this hour of crisis.

Sir if India lives, England will live. Therefore, Sir, I appeal to those who are in charge of this Government to rise to the occasion and consider how they can stop this exploitation and make India really helpful to them. Sir, I do not lay the whole blame on Government; we, the educated middle classes, have helped them in this exploitation and we now feel that we have done wrong. The exploitation that has been done during these two centuries has not been done by the Europeans and Government only; we the educated middle classes have enriched ourselves at the cost of these poor agriculturists and we cannot claim to be free

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from this charge. Today such a big country with such infinite opportunities of greatness and such potentiality has to remain a silent onlooker depending on the good wishes of a foreign Government. It is high time that we Indians should find out the reason for such an impossible situation. We have been depending on England for all that we strive and stand for; we have given up all sorts of undertakings or activities only with a view to make ourselves comfortable at the cost of the poor peasants and labourers and we cannot feel that Government alone are responsible for this. Sir, it has been said that India is not doing what it should have done; it is said that India should do more. But where is the capacity of India to do more at the present moment? The poverty of the people is known to everybody; everybody knows the taxable capacity of the people, and when war demands that crores and crores should be coming forth either by taxation or by borrowing, one wonders what is there in the future of India. India has been serving England for about two centuries and England has been exploiting India for about two centuries. That is the relation between England and India. And at this moment if India really is to help England those who are governing India should consider the whole past history and out of the present should frame the future history.

Sir, England is in the midst of a devastating war. We feel it. Our relations with England have become so complex that any crisis coming over to England will have to be shared by us and consequently we have to support England in this crisis. But if they wanted India to join her in this war, was it not proper and fair to make India feel justified in joining this war and joining it voluntarily and with a determination to win? At the last war there was a feeling that England must win but to speak the truth in the streets and everywhere that feeling is now wanting. People do not feel the same enthusiasm that they felt at the last Great War. Really there is a class of people who ask why England is at war at all! If she was at war to make those nations, who have been conquered by Germany, free England should have declared freedom for India at the outset. Without showing any sign of freeing India, without showing any sign of real friendly feeling towards India she has been telling the world that England is fighting freedom's war. Sir, India will take it seriously if she finds that the British Government is really showing an inclination to treat India as a friend and ally. But that is neither here nor there,—that is not found any where. We are not getting any sign from the British Government to assure India of her status either during the war or after it. The war requires a mint of money and the Supply Department is really spending crores on defence. But is the Supply Department meant for the defence of India? Are not those things which are supplied sent away to other countries where war is going on? And, if, God forbid, there comes an aggression on India, will there be anything left to defend India? That is the question which I put to the Honourable the Defence Member. Whatever war materials are being manufactured are being sent away somewhere else. In case there is an aggression on India, could India be protected? Is there any Navy worth the name for the protection of India? Is there any Air Force ready to protect India? I hope, Sir, the Honourable the Defence Member will give us sufficient information as to the preparations which are meant for India's defence. It may be that our gallant men are fighting in Africa; it may be that they are getting supplies from

India; but there is no knowing what is waiting for India in the next few months. The progress of the war is uncertain. We do not know what fate has in store for us. The silence of the Russian people and the silence of the Muslim countries are really ominous, and the advent of the German force in the Balkans is upsetting the whole programme of the war. They are approaching India,—coming nearer and nearer and on this side Japan is waiting in Thailand and Indo-China. It is naturally apprehended that the war is at the gate of India; and if the defence supplies are really meant for India, we hope the Honourable the Defence Member will give us an assurance that he has got sufficient men and sufficient weapons and sufficient munitions and all those things that are required for the defence of this country. I, therefore, ask the Leader of the House to give us an assurance about the Supply Department. If all the present supplies are meant to be sent away what is going to be kept for the protection of India if India is attacked?

His Excellency the Commander-in-Chief has said that he wants men from all provinces, from all communities, from all races. I do not know if he really means to give effect to what he has said. It is a large programme no doubt. Indians must be prepared to defend their own land: it is their own home, and for the defence of India Indians should be recruited in large numbers and every Indian should be prepared for the defence of India. If that is not done, then India cannot defend herself with a handful of soldiers: an unprepared India can never defend herself, and all these Defence and Supply Departments will be of no use if that is not done. We feel that India has a right to ask the Defence Department what they really mean to do with regard to India. Apart from the commercial and industrial side, the main point or issue now is the problem of defence. What is it that we see in the Budget? The whole of the extra money is declared for the defence of India; and if India is prepared for national defence, if she knows that the cause is right, if she knows that by fighting this war, she will get her own freedom, if she finds that those who are professing to fight for freedom will really give freedom to India, then she will fight. Every man has his value and every man wants to see that if he stakes his life he will get something in return, either for himself or for his future countrymen. It is always said that unless India becomes united, she cannot have freedom, she cannot have her own Government. That is the slogan which has been raised of late, that we Hindus and Muslims cannot get what we want unless we make up our differences. Sir, although I really feel that the leaders of different communal associations—the Honourable Mr. Jinnah is wanting his Pakistan, Mr. Savarkar is wanting his Hindustan, and Mahatma Gandhi is wanting his independence through non-violence, they have to unite, but, Sir, the slogan is only a plea on the part of Government to do nothing.

**Sir Syed Raza Ali** (Cities of the United Provinces: Muhammadan Urban): That is the surest of all!

**Mr. Amarendra Nath Chattopadhyaya:** Sir, undoubtedly every one of them. I mean the leaders are responsible for this hapless condition of India at the present moment. Really speaking, I should ask these friends who are thinking of communal interests to consider and think thrice: does the Honourable Mr. Jinnah mean to say that he would prefer slavery to Pakistan, and that if he does not get Pakistan, he will remain a slave, and

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that if Pandit Savarkar does not get his Hindustan, he will remain a slave, and that Mahatma Gandhi would prefer his non-violence to an independent India? These are questions which they should answer to themselves. There can not be any difference between the leaders if they really think on the lines of humanism. It is the right of every man to be free, be he a Muslim, be he a Hindu, be he a Christian. He must be a free man otherwise he cannot be anything else. What is communalism? Today a man is a Christian, tomorrow he is a Hindu, the day after he is a Muslim, and the fourth day he is a Hindu again. Religion has become a separable accident of life like the clothing we wear—it can be changed in practice at sweet will and pleasure whenever required; and yet it is on these communal lines that our leaders have been fighting for an imaginary situation. It is a pity that after two centuries of slavery they do not feel the shame of it, they do not feel the disgrace of it knowing that it is for freedom that England is fighting today—a fight the like of which no one has ever seen in this world so far,—Britons never shall be slaves, that is the teaching of all Britons to their children and they are really fighting the battle of freedom, and we are sitting here and idling and quarrelling about our communal differences, and we are. . .

**Pandit Lakshmi Kanta Maitra** (Presidency Division: Non-Muhammadan Rural): On a point of order, Sir: when an Honourable Member of this House is addressing this House, is it open to Members of the Treasury Benches to indulge in roars of laughter and give no importance to the speech?

**Mr. Deputy President** (Mr. Akhil Chandra Datta): Mr. Chattopadhyaya.

**Mr. Amarendra Nath Chattopadhyaya**: Sir, I don't mind.

Sir, if India has to live, she has to live like an independent country. If Indians have to live, they have to live as an independent nation. If that is not possible, I do not think India has any duty by England or any right to live. Sir, India is our country. Our existence, past, present and future, is bound up with the destinies of this country. Consequently at this critical hour of trial, we must sink all our internal differences. I am sorry Mr. Jinnah is not present here today, but I would ask my Muslim friends to think in the way I am doing. Let my friends remember that India is a slave country, India is a land of slaves, she has to be free, and if she is to be free, Indians must unite. If they do not unite at this critical hour, they can have no voice to claim independence or to be free. It may be that Hindu Mahasabhites may think that they can make the country free by their methods, *viz.*, organising the Hindus only, but I do not agree with them. Sir, the previous history of India will show that our forefathers had committed many blunders in the past. When the Mussalmans were being ousted by the British, we Indian conquered the country for them. It was not the British soldier who conquered the country. It was the Indian soldier who helped the conquest of India. And today India has again to struggle to become free by helping England in this war. We must not allow any conquerer to come and conquer this country by ousting the British. We have to fight our way against the British people, and if we have to do that, we must show a united stand, but with all our differences, we cannot

but help these people at this crisis. Therefore, in order to make India free, we must first have unity among ourselves.

The Allies are fighting a bitter fight in the West against the Axis powers with Russia behind them, while some countries are quietly watching the progress of the war. But what is the position of India? India is being dragged into the war without her consent; because it is the custom of a slave to be dragged by the master. Unless, therefore, the intelligentsia, those who are really helping England at this hour of trial with men and money are given an assurance about the future of this country, I am afraid India will not render them as much assistance in men, money and material resources to the extent she would otherwise have done.

Sir, it has been our painful experience in this House to find that our European friends in this House feel that they are not in India; they do not feel that they are a part of the Indian public. We have at all times found them ready to vote with the Government, irrespective of the magnitude and importance of the question in relation to India.

**Mr. M. S. Aney:** Shame.

**An Honourable Member:** Blood is thicker than water.

**Mr. Amarendra Nath Chattopadhyaya:** Yes, blood is thicker than water, and as such they can justify their own action. I want to tell them that they will be better friends of England, they will be rendering real service to England, if they would make India their home now, and treat Indians as their own people and feel that what is good for India is good for them as well, and not to think in terms of feelings or pride which existed in the first century of conquest. The war is fought in the interest of England, while they have kept India as a slave all these years. But the time has now come when they should no longer treat India in the way they have been treating her.

Sir, the financial condition of England compared with that of Germany is really very poor. England has to go out for financial help and for assistance in men and material. Within seven years Hitler has been able to organize the country in such a manner that he is able to threaten the entire civilized nation; he is now challenging the whole world. Now, what was the economical organization which made Germany so great and powerful in such a short space of time. . .

**The Honourable Sir Jeremy Raisman:** . . . Loot. . . ?

**An Honourable Member:** Youth movement.

**Mr. Amarendra Nath Chattopadhyaya:** Yes, it is the youth movement and a peculiar organization of economics. . .

**The Honourable Sir Jeremy Raisman:** The economics of loot.

**Mr. Amarendra Nath Chattopadhyaya:** Whom has he looted?

**The Honourable Sir Jeremy Raisman:** The whole of Europe.

**Mr. Amarendra Nath Chattopadhyaya:** England has looted India for centuries, and it is the same case even now. Now, compare Germany's economic condition today with that of England. England has to seek the help of America. Why? America became independent in 1776 rising against taxation by England, and now she is an ally, whereas India which has been bound up with England for centuries is still a slave. Sir, it is a shame, it is a disgrace that the British Government should still treat India as a slave country. It is a sin, it is a crime to keep India under subjugation. But words do not break bones. The more I speak the worst it becomes. It is impossible to maintain equanimity of temper.

**An Honourable Member: from the European Group:** Hear, Hear.

**Mr. Amarendra Nath Chattopadhyaya:** Sir, the present financial condition of India does not allow us to raise more money, yet we shall have to help England. Our financial magnates, Baronets and Directors of companies from Bombay have thrown out suggestions to Government how to raise the money. The whole responsibility lies on the shoulders of the Finance Member to raise money, the whole thing lies now in the organization of finances.

The Commerce Member, the Defence Member and the Leader of the House who is in charge of supply should plan a really economic organisation and find out the best way possible, the easiest way possible to make India help England with willingness, with determination to win this war.

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

The Honourable the Home Member has a very onerous task to do. He has kept people in prison without trial. He has sent satyagrahis to jail, though I confess that they have gone there of their own account. But at this critical moment I should draw his attention to the actual situation. He should make the people of India believe that the interests of England and the interests of India are the same. He has to create a war atmosphere so that men may be willing and ready to join this war and be eager to help England in her trouble. Sir, danger is not to be trifled with. Whoever be he, in whatever position be he, he ought to think thrice before he decides anything with regard to this war. Knowing that the economic position of England and India to be very poor and miserable, knowing that the Government has created a lot of trouble to India, by disarming the Indians and making them non-martial, the Government must now give training to young men of India in the universities, train them up for the war and by every means in their power gain the goodwill of India. The Honourable Member should now release all political prisoners. He should be more liberal in his dealings with the political leaders, he should be more considerate, he should be more human than what he is today. I would like to suggest to him that he should release the detenus at once without any fear from them. England is not in fear of Germany, why should she be in fear of detenus and political prisoners of India. In Bengal, people have been rotting in jail for years and years. He may say it is a Provincial matter and he cannot interfere. That is an anomaly against which we are fighting. Without making the Centre as it should have been—according to the Government of India Act of 1935, the autonomy of the provinces is a misnomer, it is useless. Therefore, the Congress had to give

up as it was not workable, and on that basis the Provincial Governments are working, and the Central Government has got an excuse of keeping these men in jail for years and years. This is a time when liberal and human consideration should prevail and if anything can bring back the confidence of the people in the Government, it should be done without any delay. A little courage is wanted and nothing else.

We do not know what he will do, here, Sir, I am constrained to say something which may hurt him. In his last speech he gave us some anecdotes about the satyagrahi prisoners, about a girl who did not or could not cross examine when she was in the dock. I am afraid that when a British soldier is asked to cross-examine if he is put in the dock, or if he is asked why he is fighting, he won't be able to say why. He is not to say why, he is to carry out orders. And the girl had to carry out the order of the Government, the Congress Government. She had to cry out a slogan and she cried out, she had to shout out a slogan and had nothing to do with the why, she was carrying out orders. The anecdote about father sending Rs. 100—that is the unfortunate situation in India. While the son is a revolutionary the father is a loyalist. When the father and the son will both be revolutionaries there will be a free India. That is the situation. If the father sent money to pay the fine on his son, that was because he was the father and a loyal citizen of the Government. It was not a matter for ridicule, it was not a matter for laughter, it was a matter for deep serious thought. It is very easy from his position here to hold to ridicule the movement that is going on. Let him do that. We may differ in our opinions about movements that are going on. But why does a movement gain momentum? It is the bad behaviour and conduct of the Government that is responsible for any movement that goes on in India during war and may come after the war. England never prepares before time, that is the position. Today England is fighting the war with such handicaps that she has been compelled to go from door to door in quest of weapons, while she has four hundred millions of Indians who would be only too willing to fight if India were given freedom. 400 millions of Indians would have stood by her side willingly, but, Sir, today she has lost her chance. Opportunities come only once or twice in the lifetime of a nation or of an individual and if that opportunity is not taken advantage of, the nation or the individual has to suffer. I beg of my Muslim friends here also, "The opportunity is here to unite and fight for freedom. Let not anything stand in the way of our fighting for our freedom. If we have to co-operate with the British let us co-operate with a full heart. If we have to fight, let us fight with a full heart. Let us be united."

Therefore, the question comes down to this, that if this defence is to be done in the right way, the Defence Member or His Excellency the Commander-in-Chief has to take us into his confidence. The Leader of the House will have to take us into his confidence, and he will have to show that all the money that he is getting from India is being spent rightly, spent for the protection of India, for the defence of India against future aggression. Simply raising men and munitions and sending them away to different parts of the world without keeping anything for the defence of India will be a bad policy, and the people of India have got a right to ask that the defence of India must be a thing which should be open to Indians and it should be in the hands of Indians. A few thousands of British soldiers and a few lakhs of Indian soldiers will not be sufficient for the defence of India. We require a larger number of people to defend India.

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We have got a sea board of 4,000 miles and if that 4,000 miles is not protected by a Navy, who can save India if she is attacked from both sides. Therefore, the situation requires a good deal of serious consideration.

Sir, so far as the defence is concerned, I tell the Honourable Member that India is ready to defend herself against any aggression provided she is treated as an equal, provided she is well equipped provided she is convinced that she is fighting a right cause. The Government should try to convince the Indian people about their *bona fides*, that they are really fighting for freedom. If they are fighting for the freedom of Poland, Denmark and Holland, why should they keep India a slave country? These 400 millions of people be free at once and treated as an ally and a friend. That is my suggestion for the defence of India. India will defend England willingly and determinedly if she is assured of her future.

4 P.M.

Sir, this is a war budget. The burden of taxation has been increased from 14 crores in 1938-39 to 40 crores. In 1940-41, the normal defence expenditure increased to 72 crores from 50 crores and in 1941-42, that has shot up to 82 crores. There is also an additional expenditure of 2½ crores in civil administration on account of war. Not only this. The Finance Member has stated, in addition to this, that India has cost of supplies and services rendered to His Majesty's Government—which is substantially greater than the increase in the defence budget. The total contribution in defence loans is over 50 crores. The Finance Member has shown that 20.46 crores has been the deficit of which 14 crores will have to be borrowed. But actually the deficit is 37 crores of which 14 crores is to be met by borrowing. The question is what really is or will be the total burden on the taxpayer of India and who will really bear the burden. The tax payer of India will have to bear all this burden. The tax on matches and on tyres and tubes will fall on the poor. Income-tax falls on the middle classes and the super-tax and the excess profits tax on the rich. But really speaking all taxes have to be borne by the poor. That is the burden on the poor. The rich men pay out of the money of the poor man. The middle classes pay out of the poor. So whatever taxes are levied, it is the poor man who pays. It may sound a little awkward and enigmatic but if these rich men really examine their own coffers, they will find out the truth that they have earned their profits at the cost of the poor man *viz.*, peasants and labourers. Whatever taxes are levied they go to increase the poverty of the people at the bottom. Consequently the Commerce Member will have to find out how far he can tax the commodities. The match box has been already taxed and if you put further taxes it will be very difficult for the poor man to buy his necessities. The Honourable the Finance Member should consider how much he can help the poor by reducing the tax which he has fixed at the present.

I have already spoken about the economic position of our country and really the Honourable the Commerce Member knows that India is a poor country. Therefore, with a view to raise taxes, he should take into consideration whether he should advise the Honourable the Finance Member to borrow more money rather than have resort to taxation. The question of borrowing has been dealt with very ably by Sir Cowasji Jehangir and I have nothing more to say on that. I would only request the Honourable the Commerce Member to advise the Honourable the Finance Member

as to what are the commodities that can really stand taxation. I do not think there are any commodities which can stand further taxation. It is his business to find out what is the proper commodity which may be taxed safely and the Honourable the Finance Member should take care to see that he does not levy any taxes which lead directly to add to the burden on the poor people.

In our country the people are abnormally poor. Exports have been stopped. Prices of things have gone down. The purchasing power of the people has gone down and in consequence of that there is always a dire want in the villages and sitting here he cannot feel what is happening in the villages. I think he should tour in the villages and see how they are passing their days. Sir, we find fault with our Congress workers but we know that those Congress workers who go into the villages can give the Honourable the Commerce Member a true picture of the poverty of the poor people. They are not only poor, they are absolutely helpless. The landlord, the police, the *chaukidar*—everybody is fleecing them and if Government now levy taxes on the necessities of life, it will add to their poverty and misery and I believe they will not be able to bear the burden. These are the people who are producing the real wealth of the nation, and if these people become absolutely helpless by any act of the Government at the present moment, well, Sir, sixty per cent. of the Indian people will suffer, and, with them the major portion of the rest. Taking this fact into consideration, I hope the Honourable the Commerce Member will take this opportunity to advise the Honourable the Finance Member not to tax those commodities such as will go directly to create sufferings of the people.

Sir, it is indeed a matter of controversy if I should now speak on matters which will have to be done in peace time, but, Sir, whatever I am saying now is in anticipation of British victory. God forbid, if there be no victory, well, then we don't know where we should be. . . .

**Lieutenant-Colonel Sir Henry Gidney:** In that case there will be no Commerce Member and no Finance Member.

**Mr. Amarendra Nath Chattopadhyaya:** . . . but in the anticipation of British victory, they will have to rack their brains to create a regular economic programme both on agricultural, industrial and commercial lines. Sir, with regard to what the Honourable the Commerce Member has been thinking about Commerce—our exports and imports, may I ask,—Sir, what is commerce without a national shipping? Commerce without a national shipping is a misnomer, it is pure and simple exploitation; if we do want to create a regular commerce for India, we have to create our own ships, construct and organise our own shipping. Sir, this question of shipping has been kept waiting for years and the small shipping companies which have been operating on the coasts are suffering under the handicap of competition. Sir, really speaking, the Honourable the Commerce Member has a very responsible task to do. He will have to find out ways and means for creating a regular shipping for India without depending on any other nation on earth and compete with them; we can have it if we will. Sir, Government was not at all inclined to do it previously, but henceforth, if the Government really feel the situation as created now, they will have to do it. Sir, we in India are living in the past. Whatever

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was done by the Government is being continued for centuries. The land revenue system remains the same; the fiscal system, though at times it is changed, remains the same in principle; it does not help India. Sir, now that Government are taking up marketing, now that Government are thinking of improving the crops, cotton, jute and all these things, that business should be organized. It should be democratized. More people should be taken into confidence. The people who are agriculturists, the people who are trading, the people who are engaged in commerce, all these should be taken into confidence so as to create a real atmosphere of economic independence. Unless that is done, the Government will fail to do anything in the way of ameliorating the condition of the poor people in the country. Sir, the economic condition of the country depends upon such real organization, that substantial organization by men who really love India, who really will do something to create a good and healthy atmosphere in India without thinking of any other country at any rate so long as India does not stand on her own legs. That is the situation, Sir, at the present moment. India is feeling absolutely helpless from all points of view. Where does she stand now? Helpless, utterly helpless all round. She cannot have her say in any thing; she cannot do anything to protect herself and purely from that point of view I would request the Commerce Member and I would request the Finance Member to view India in the spirit in which I am placing her before them.

Sir, the Honourable the Commerce Member yesterday said that he did not agree with those people who want to make India a thoroughly industrial country. Sir, I am afraid he has not appreciated the thing in the spirit in which we are thinking of the problem. Sir, India produces raw materials for the world. The whole comes to India for raw materials, and there is no harm if India produces these raw materials but she ought to have the scope of industrializing the country without difficulty; if she gets the material for doing it, why should she depend upon another country for manufactured goods at all? Why should not India be free, absolutely free from the economic demands of other countries? They will come to us to purchase their necessities, but why should we depend upon other countries for our purchases? If there was no scope within India, if we could not really produce things, if we did not have the brains, if we did not have the engineers and scientists, well, we could have accepted his dictum that India should not be highly industrialized. Sir, industry, commerce and agriculture go together and that country is fortunate where agriculture, industry and commerce can go together without depending upon any other country, and that country is India. Sir, we had our village industries and we must have our modern industries; we shall make our own necessities, and we should not depend upon other countries. Sir, there is another question. The difference between inland trade and commerce we have forgotten. Inland trade we do not care for. We are always thinking of our exports and imports. Sir, India is a big continent, and with all these four hundred million people, we can have a very big inland trade: and if we do not mind our inland trade, if we do not mind organizing our cottage industries, if we do not mind organizing our home industries, and if we do not mind organizing our modern industries, we shall mind nothing for India. Therefore, I would ask the Commerce Member to give us an idea of the policy and programme which he intends to follow.

But, Sir, I congratulate him here on one thing, *vis.*, that he has set the ball rolling. He has created that atmosphere by forming the Scientific Research Board, but, Sir, the money that he has got for that Board is only five lakhs of rupees; it is absolutely nothing, five lakhs for research is, I should say, nothing. He should ask the Honourable the Finance Member to give him five crores of rupees for that if he really means to do research on a scientific basis and to do real industrial work in India. But at this moment he cannot ask for so much money and, therefore, he should get at least 50 lakhs of rupees. He has got a very good Board and he has got really good men to do the research work. In the course of a year or two, I am sure India will be able to industrialise in many things. If the research goes on into more and more industries as the time passes, we believe that the Honourable the Commerce Member's wishes with regard to the future of the industries of India after the war will not remain unfulfilled. We should not depend upon others to tell us what industries should be taken up. If the Honourable the Commerce Member can place before the country all sorts of industrial possibilities during this war, then immediately after the war we may have several industries started with the result that most of the men who are engaged now on war efforts will be absorbed after the war is over. If industrial researches are successfully made, capitalists may be tempted to come with their money. It is the Government who can do it. In other countries where the economic situation is daily improving, it is because they are nationalising the whole industry. Of course, the capitalists must be guaranteed of some dividend with which they will be satisfied and there will be no competition in the market about that. Really speaking, we have not been given any programme or plan of economic arrangements in India. Up to this time the whole arrangement was for exploitation. Now, the whole thing has to be changed. It must be done with a view to make India free from all countries with regard to her supplies and with regard to her necessities. That can be done only by industrial regeneration. It is a pity, Sir, that we have been crying hoarse for years about India's economic possibilities and at this moment it is really impossible to bring home to the Government the necessity of spending money on economic arrangements when the war is on. The war is absorbing the whole attention of the Government and it is really not proper to speak on these matters when the war is so much engaging us. But the war will end one day and we will have to take things as they come.

The Honourable the Commerce Member said yesterday what would be the position of those who are now employed in the war effort after the war. In considering this matter, he will have to take into consideration all possibilities, the possibilities of the agricultural industry, of machinery and of cottage industries. He will have to keep a plan ready before him. If he does do that now, he will be really confounded when unemployment not only from those who are employed now but unemployment from those who remain unemployed will add to his troubles. If he really means business and if he really thinks of India in terms of India, then he will have to take this into his serious consideration. With regard to the different industries, I have already suggested to the Commerce Member that he should advise the Honourable the Finance Member to find out the commodities which should be taxed. I do not know if this suggestion will commend itself to him. Fortunately, this year the salt remains as it was. But with regard to sugar the controversy remains the same. With regard

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to sugar, the Honourable the Commerce Member has given us to understand that he is going to appoint an Advisory Committee. It was said that there was a surplus production of sugar. Really speaking, that surplus was due only to the ban against exports. If India could export, then that surplus would not have remained. Not only that, everything depends upon proper organisation, an organisation with a view to help those who are interested in the industry and any loss incurred by any Indian company at the present moment should be a warning against the future possibilities. Sugar, salt and matches are the three commodities which are of daily use and the whole population use them. Sugar is, of course, a little dearer than *gur* and, therefore, the poor people cannot use it. So, Government should take care to protect the interests not only of the cane grower but make it possible for the factories to bring it at such a cost that it would be purchaseable by the general people.

Sir, really speaking, in our daily life we live because we do not die. We cannot die every day and, therefore, we are alive. We do not care to adjust things with a view to make our lives useful, to make our lives happy. We are the greatest sinners in this respect with regard to the poor agriculturists and the labourers. Those who dare to speak of labour or the peasantry, are dubbed as communists and they are hounded out. India does not move. She will have to remain where she was two or three centuries ago. The Government on the one side will take these young men who are working for the peasants and for the labour and dub them as communists and send them to jail. If these people who befriend these poor men and these peasants speak about capitalists they will find fault with them. So the poor people who want to help the labour and the peasantry find themselves between the horns of a dilemma. They are between the Government displeasure on the one hand, the displeasure of the capitalists on the other and, consequently, nobody can speak on behalf of the poor labour without fear of arrest and persecution. It is for the Government now who are feeling the economic difficulties during the war, who are feeling all the difficulties that have accrued just at the present moment about the war efforts that they should now find out ways and means to see that a new organisation is set up with a view to improve the conditions of the peasants and the labourers. Unless their condition is improved, the condition of India cannot improve at all. You can find a few millionaires here and there, but that does not solve the national question. We find big merchants rolling in wealth in India, we find there are real capitalists in towns, but the moment you go into the villages, you find the remarkable difference. Unless a regular organization is set up at once by Government, nothing can be done in India for the peasants and labourers.

Really speaking, I find it very difficult to speak with regard to ourselves. I do not lay the whole blame at the door of the Government. What have we done to our country? What have we done to our people? How much have we felt for the poor? That is the question which we should answer for ourselves. We are fighting for freedom. We are fighting for freedom of speech.

**The Honourable Sir Muhammad Zafrullah Khan:** Others are fighting for freedom of speech too.

**Mr. Amarendranath Chattopadhyaya:** Freedom means freedom of speech, freedom of association, freedom of organization and freedom of growth. It is not wrong to demand freedom of speech. Really speaking, Sir, they do not know what is the objective of the British Government in entering into the war. They want freedom of speech. There are conscientious objectors to this war. Why should there be bloodshed for nothing? If India remains dependent upon England, why should there be war at all for freedom and, therefore, some Indians have decided to speak against the war?

**The Honourable Sir Muhammad Zafrullah Khan:** I am afraid I have been misunderstood. Other Honourable Members are waiting for freedom of speech.

**Mr. Amarendra Nath Chattopadhyaya:** With a view to improving the economic position of India, it is fundamentally necessary to overhaul the whole system. I am glad to see two Indian Members at the head of two important Departments, one the Commerce Member and the other is the Member for Supplies. Of course, Supply Department is a temporary Department. That will save us from the scandal of the Munitions Board. That is true. The Honourable Member for Commerce said that he is afraid about the future of India when the Supply Department will not be there. Now, Sir, in anticipation of victory Government should be ready to meet all the demands. For that purpose the whole system should be overhauled and a programme should be framed now with a view to put it into effect immediately after the war. We know this is a large programme and it requires a good deal of consideration.

**Mr. President** (The Honourable Sir Abdur Rahim): I think the Honourable Member has said that so often.

**Mr. Amarendra Nath Chattopadhyaya:** If I take up each and every Department it will take more than two hours. If I take the Department which is directed by my Honourable friend, Sir Gurnath Bewoor, it will take a lot of time. I am somewhat connected with the Postal Department.

**Sir F. E. James:** The Honourable Member may assume that there is a scandal in every Department.

**Mr. Amarendra Nath Chattopadhyaya:** My Honourable friend, Sir F. E. James, suggests to me that I can take it for granted that there is scandal in every Department. I do not take it in that light. Sir Gurnath Bewoor is a very nice and reasonable gentleman and he is held in respect by all his workers though they have many complaints. The Postal Department is one Department which has the reputation of being an honest Department. No one questions its honesty and the devoted service of its staff. But he has made this Department a very profitable concern of Government and that profit is made by deprivation of the staff. The staff should be better paid and more men should be taken, and that is the complaint that we hear outside. Even when he gets a good surplus he does not care to diminish the rates of postage. In spite of there being a good surplus the price of envelopes has been raised from one anna to five pice. Sir, economy is to be observed but really speaking economy

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should be observed at the top. If you go on economising at the bottom the efficiency of the Department will suffer. I, therefore, request the Honourable Member to take this into consideration.

Sir, I request the Honourable the Finance Member to revise his object of taxation and the commodities which he has chosen should be reconsidered. Match boxes should not be taxed. With regard to the excess profits tax it is an anomaly to me. How can there be excess profits? Why do not Government fix up the prices? They should fix a limit to the profits of the shareholders and also create a scale commensurate with the shareholders' dividends for overhead charges, etc., and stop all possibility of excess profits. This excess profit is a misnomer. If you allow these excess profits to be made and then tax them, I do not understand its benefit at all. They should not allow any excess profits or abnormal profits to be made because it is the consumers who pay. All profits over and above what they would normally get have to be paid by the consumer and to charge excess profits tax is to take the tax from the consumer.

Sir, in conclusion, I will make an appeal to the Finance Member to consider the whole thing with a view to help India to make herself a willing partner of England and also enable her to pay taxes, if necessary, by economic arrangements.

**The Honourable Sir Muhammad Zafrullah Khan:** Sir, the irony of the situation is that the Honourable Member was not aware that since he started speaking, an arrangement had been arrived at between the Parties including Government with regard to the time-table of the remaining stages of the Finance Bill. I have to inform the House that it has been agreed that all speeches on the consideration motion except the speeches of Mr. Aney and Nawabzada Liaquat Ali Khan should be finished by lunch time on the next day on which the House sits, *i.e.*, Thursday; that after lunch the two Honourable Members whose names I have mentioned and the Honourable the Finance Member should speak and that the motion should be concluded on that day; that on Saturday the House should conclude the consideration of clauses, it being understood that Parties do not desire that speeches should be made on the third reading of the Bill.

**Lieut.-Colonel Sir Henry Gidney:** Sir, I rise to a point of order. The Leader of the House has just made a statement which practically tells every Member of the House to shut up. I will not shut up; I have a right to speak on this Bill, the same as the Honourable Member or my Honourable friend, Nawabzada Liaquat Ali Khan. I object to it.

**Mr. President** (The Honourable Sir Abdur Rahim): What does the Honourable Member object to?

**Lieut.-Colonel Sir Henry Gidney:** I object to what the Leader of the House said. He had no right to say that. He cannot order a thing like that. We have a right which I ask you to protect.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member was perfectly justified in stating to the House the agreement that had been arrived at between the different Parties, and I shall see that the

debate is carried on accordingly. Nawab Siddique Ali Khan will now speak. I may inform the House that the Muslim League Party desired me to call speakers from their Party in the order in which certain names have been supplied to me.

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**Nawab Siddique Ali Khan** (Central Provinces and Berar: Muhammadan): Sir, today I wish to discuss the political situation existing in our country. Before I do so I will have to tell the simple and plain truth, but I may assure Honourable Members of this House that I do not want to embitter or hurt the feelings of anybody. It is an admitted fact that there is political deadlock in the country; the question is as to who is responsible for this deadlock. Controversy is going on with regard to this matter. Some people say that the two major responsible and representative parties, *i.e.*, the Muslim League and the Indian National Congress, are responsible for it. We feel constrained to say that the entire responsibility rests with the British Government. We have got of course some cogent reasons in support of our contention. It is a well-known fact that sometime back it was decided to give some reforms. In all probability it was because of the war. It was said that Indians will be taken into confidence and that a due share in the administration of the country will be given to them. With this idea in view His Excellency the Viceroy started consulting different leaders. If I am not mistaken, about fifty leaders were invited by His Excellency the Viceroy. The consultations, negotiations and clarifications took a final shape. His Excellency's offer of the 8th August last has become a historical thing by now. This offer was later substantiated and reaffirmed by the Secretary of State for India. I am not concerned with other political parties in this country. I will only put up the case of the Party to which I have the honour to belong. My Party said in clear words that we do not want to press our demands at this critical juncture as you are involved in a life and death struggle. We also did not want to embarrass you, as the Indian National Congress was doing, by asking people not to help you in your war efforts. We offered our services. We rightly thought that due to our helplessness, the position which you have created for us in India, in our own country, is such that in your defeat lies our defeat. There are Indians who differ from us in this view. They think that by the defeat of the Britishers we Indians, that is, we who are slaves in our own country, are not going to be affected: they say that it will be only a change of masters, but they do not bother themselves to think for a moment whether the new master will be better one or a worse one than the present master. However, we did not fall in line with them. We said it was in our own interests that we should co-operate with you to bring the war to a successful termination. We only demanded in return that we should have a due share in the administration of the country by appointing non-official advisers in those provinces where the constitution is under suspension; I mean in those provinces where Congress Governments were established. Our second condition was that the official element should be wiped out from the Executive Council of His Excellency the Viceroy and instead of that we wanted a proper share. His Excellency the Viceroy had given a pledge to the Honourable the Leader of my Party that he will go on with the expansion of the Executive Council even if the Congress Party did not come to share the burden of responsibility. Events have shown us that you have broken the pledge. This is not a new thing. This has very often been done in the past. You have turned a deaf ear to our request. Your

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silence and indifference has led us to believe that you do not want to part with power. In those Governor's provinces where the administration is run by the help of the advisers, you will find dyarchy in its naked form, that is you will see a despotic and autocratic rule . . .

**Mr. M. S. Aney:** It is pure autocracy: there is no dyarchy now.

**Nawab Siddique Ali Khan:** Yes, autocracy. I am sure that this state of affairs cannot continue very long. Something shall have to be done to avert this crisis. Now, the persons responsible for this deadlock say that no constitutional advance can be made until and unless the two major parties, that is, the Congress and the Muslim League, come to a settlement; or in other words, there is perfect Hindu-Muslim unity. The wish is a pious one which has been expressed several times from different quarters. But I must say that our masters have not made the slightest attempt to solve the Hindu-Muslim problem. Their silence in this matter is understandable. If there is real Hindu-Muslim unity foreigners will have no place and India will be governed by Indians. The differences between Hindus and Muslims are such that there is no chance of their being patched up. Unfortunately the differences are becoming wider and wider day by day. (Interruption.) My friend says 'No, no'. But he must face the reality. Muslims living in those provinces where they are in a microscopic minority very well know how the majority party behaved when they held the reins of government in their hands. Really it was a day of rejoicing and we breathed a sigh of relief when they vacated their offices. We went to Messrs. Bose, Gandhi, Jawaharlal Nehru, Patel and Maulana Abul Kalam Azad with a request to redress our grievances. We could very well understand the silence of Mr. Subhas Chandra Bose because everybody knows that he was utterly helpless. The preacher of *ahimsa*, the champion of the poor, Mr. Gandhi, observed his usual Monday silence. The torch-bearer of nationalism—and let me add atheism—Mr. Jawaharlal Nehru, condescended to write in a stereotyped manner that he had referred the matter to the premier. The strong man of the Congress, Mr. Vallabhai Patel, who could summarily dismiss Nariman and Khare, followed his master Gandhi, the non-violent. The vice-regent of Prophet Muhammad (peace be on him) who was supposed to be in charge of the portfolio in the Congress high command of Muslims and Islam, did not think it proper to intervene as he thought that an allegation would be made against him that he was championing the cause of the Muslims . . .

**Mr. President** (The Honourable Sir Abdur Rahim): Perhaps the Honourable Member would like to stop now and resume his speech at the next meeting.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 20th March, 1941.