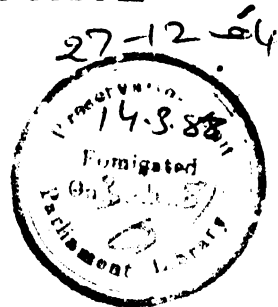


THE COUNCIL OF STATE DEBATES

VOLUME II, 1940

(19th November to 2nd December 1940)

EIGHTH SESSION OF THE FOURTH COUNCIL OF STATE



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COUNCIL OF STATE.

Thursday, 21st November, 1940.

The Council met in the Council Chamber of the Council House at Eleven of the Clock, the Honourable the President in the Chair.

MESSAGES FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

THE HONOURABLE THE PRESIDENT : I have to deliver to you two Messages from His Excellency the Governor General. The first Message runs thus :—

" WHEREAS the Legislative Assembly has by its vote of the 20th November, 1940, refused leave to introduce a Bill entitled a Bill to alter the maximum rates of postage under the Indian Post Office Act, 1898, to increase the rates of the taxes on income imposed by the Indian Finance Act, 1940, by a surcharge for the purposes of the Central Government, and to increase the rate of super-tax payable by companies ;

Now, THEREFORE, I, Victor Alexander John, Marquess of Linlithgow, in pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, do hereby certify that the said Bill is essential for the interests of British India."

LINLITHGOW,

Viceroy and Governor General.

NEW DELHI ;

The 21st November, 1940.

The second Message runs thus :—

" In pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, I, Victor Alexander John, Marquess of Linlithgow, do recommend to the Council of State that it do pass the Bill to alter the maximum rates of postage under the Indian Post Office Act, 1898, to increase the rates of the taxes on income imposed by the Indian Finance Act, 1940, by a surcharge for the purposes of the Central Government, and to increase the rate of super-tax payable by companies, in the form hereto annexed."

LINLITHGOW,

Viceroy and Governor General.

NEW DELHI ;

The 21st November, 1940.

INDIAN FINANCE (No. 2) BILL.

SECRETARY OF THE COUNCIL : Sir, in pursuance of the provisions of section 67B of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, I lay on the table a copy of the Bill to alter the maximum rates of postage under the Indian Post Office Act, 1898, to increase the rates of the taxes on income imposed by the Indian Finance Act, 1940, by a surcharge for the purposes of the Central Government, and to increase the rate of super-tax payable by companies, leave to introduce which in the form recommended by the Governor General was refused by the Legislative Assembly at its meeting of the 20th November, 1940 : the said Bill having been certified under the provisions of the same section by the Governor General as essential for the interests of British India.

THE HONOURABLE MR. P. N. SAPRU : On which day are we taking up this Bill ?

THE HONOURABLE THE PRESIDENT : The Honourable the Leader of the House will inform you presently.

(The Honourable Mr. Hossain Imam was not present to move his Resolution.)

INDIAN LIMITATION (AMENDMENT) BILL.

THE HONOURABLE MR. CHIDAMBARAM CHETTIYAR (Madras : Non-Muhammadan) : Sir, I beg for leave to introduce :

“ A Bill to amend the Indian Limitation Act, IX of 1908.”

The Motion was adopted.

THE HONOURABLE MR. CHIDAMBARAM CHETTIYAR : Sir, I beg to introduce the Bill.

RESOLUTION *RE* CONSTRUCTION OF AIRCRAFT AND AUTOMOBILES.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Mr. President, I beg to move :

“ That this Council recommends to the Governor General in Council to take immediate steps to provide for the construction of aircraft and automobiles in India.”

Sir, the importance of the subject that I am venturing to discuss today need not be dilated upon. The manufacture of aircraft and automobiles in this country has been necessary both from the military and commercial point of view for a long time ; but the present war has shown to us that the problem is an urgent one. We must deal with it as early as possible if India is expected either to defend herself or to help in the defence of the Empire. The experience of the last twelve months has shown us that modern armies are totally unable to perform their duties unless supplied with weapons with which first class armies are armed, and one of the things that is urgently needed by all armies is the air arm. The countries that were weak in this respect have had to pay dearly for their neglect in this matter. I am aware, Sir, that even if Government accept my Resolution it will be some time before India is able to manufacture aeroplanes. But we must make a beginning immediately. There will then be some hope that we shall in the course of a few years be able to produce what is required for our defence and for the help of those who are associated with us ; but if the present state of things continues India will for ever remain in an absolutely helpless condition and a prey to the first invader who could reach its shores.

Sir, I am emboldened to suggest the manufacture of aeroplanes even at this time because of the progress that has been made by Canada and Australia during the last twelve months. Neither of these countries was known for the manufacture of aircraft before the war, but both of them are playing an important part in respect of it, because of the help extended to them by His Majesty's Government. An R. A. F. mission composed of senior officers and officers belonging to the Air Ministry went to Australia, I believe, towards the end of last year in order to discuss plans with the Australian Government for

the manufacture of the latest types of military aircraft in the Australian factories. The Federal Government two or three years earlier had established a company under a scheme devised by them to create an aircraft industry which would render the Dominion independent of outside supplies. Apart from this, Sir, I understand from the organ of the Royal Institute of International Affairs that in 1939 His Majesty's Government entered into an agreement with the Australian Government whereby a capital of £10 million was provided for the manufacture of aircraft required of course principally for the needs of Great Britain. In Canada, too, His Majesty's Government made systematic efforts immediately after the outbreak of the war to arrange for the manufacture of aeroplanes. Canada was in a more advanced position in this respect than Australia, but I think I am right in saying that even so but for the assistance given by His Majesty's Government Canada would not have been able to make the progress that it has done during the last twelve months. Now these two examples should suffice to show what can be done in this country provided His Majesty's Government are prepared to render us the necessary help.

Sir, the question of constructing aircraft in this country was, I believe, submitted to the Government in October, 1939. I am not fully aware of the course of the negotiations that took place then, but I understand that the scheme that was put forward then was rejected by the authorities. Since then further negotiations have taken place between the Government of India and the representative Indian capitalists. The question which requires consideration, I understand, is that the requirements of the factories that are set up should be supplied from England as early as possible, and that the despatch of the machinery and other things that are needed should be regarded as a part of the war effort. If this is done, then, I understand, it would be possible to manufacture aircraft here within eight or nine months of the receipt of the machinery. This is a matter, Sir, in which I know the Government of India are interested. I have good reasons for believing that His Excellency the Viceroy is himself keenly interested in it. The Finance Member has recently assured us that the proposal to which I have already referred has not been abandoned and that it was the Government's intention to proceed with it as soon as the necessary plant and material became available. This announcement, Sir, has proved useful in so far as it has shown to the country that the feeling generally entertained that the Government of India were hostile to the proposal for setting up an aeroplane factory in this country is not well founded. The question as to the speed with which action will be taken in order to make the construction of aeroplanes possible nevertheless remains. I know that in this matter the Government of India are entirely dependent on His Majesty's Government. I believe, as I have already said, that left to themselves they would be prepared to help the capitalists in this country to set up an efficient factory; but it is obvious that they can secure both the necessary machinery and the skilled assistance that the factory would require only with the support of the British Government. That support, it is believed in this country, has not been forthcoming. Lord Beaverbrook, frankly speaking, is not friendly to the project that has been put forward. He naturally thinks of the demands of England. Considering the position with which England is faced in Europe, Lord Beaverbrook's solicitude for Britain's need is perfectly intelligible and natural, but the British authorities, who see clearly the importance of India as a base of supply in the East, may, I venture to think, be expected to take longer views than they have done up to the present time. I speak with considerable hesitation on this point but, if India which is being appealed to daily by the British Government for help is to be able to play an effective part in the prosecution of the war, it is obvious that she should be prepared both for self-defence and for the defence of the Empire. I make no

[Pandit Hirday Nath Kunzru.]

apology for referring to her own defence, for so long as India is associated with the British Empire its defence must necessarily form a vital part of British interests. Now, this purpose can be achieved only when we have a national army—that is an army consisting of Indian soldiers and Indian officers and supplied with munitions and weapons of all kinds manufactured in this country. Till recently the production of the necessary war material was regarded as a question primarily of Indian interest—that is, one that interested the Indian nationalists. But the war has made it clear that it is no longer a political question. It has shown that it is a question of great urgency which England and India must combine together to solve at the earliest possible moment. Sir, lest I should be accused of putting forward a view which ignores the difficulties of Great Britain, I will venture, contrary to my habit, to read an extract from an article that appeared—

THE HONOURABLE THE PRESIDENT : Was it in a paper ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Yes, Sir.

THE HONOURABLE THE PRESIDENT : I am sorry I cannot allow it.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : It expresses its own view.

THE HONOURABLE THE PRESIDENT : You can express that view but don't read it out.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : It doesn't quote any facts at all. I was going, Sir, to read an extract from an article written by a British paper on this subject but in view of what you have said, Sir, I shall merely paraphrase what this paper has written. The paper that I am referring to is the *Statesman*. The support that it has given to us on the question of the nationalization of the Indian forces is known to the whole country. It is the only British newspaper in India that has looked at the question from a national point of view and has consistently urged on the British Government the need for taking a long view by securing the co-operation of the Indian people and making India strong both from her own and from the British point of view. Now, this paper states that it is believed that the Ministry of Aircraft Production was a stubborn obstacle to the manufacture of aircraft in India. This fully bears out the suspicion entertained in this country. I only venture to hope, Sir, in view of the danger in which we are involved and the danger which increases daily as new developments occur in the south-east of Europe that His Majesty's Government will look at the question from a new point of view and allow India to manufacture the aircraft required by her both for her own purposes and for those of the British Government.

Sir, the position today is this. We are exceedingly weak from the point of view of defence and, should Britain fail to defeat the totalitarian powers, we shall be left absolutely defenceless. We have been asked to be grateful to England for the Pax Britannica so long, but the manner in which law and order have been maintained in this country has reduced us to a position of absolute helplessness. The situation is such that, if the British Government were to go out of this country, we would have to accept the domination of the first powerful nation that can reach our shores. Is this situation compatible with the good

name and self-respect of England or compatible with the security and self-respect of India? We have purchased law and order too dearly. The time has come when we must be more energetic and the British Government must take a more dynamic view of their responsibilities than they have done up to the present time. If they do so, they will certainly get that enthusiastic help from the Indian people which they have been unable to get so far notwithstanding all their propaganda.

Before I pass on, Sir, from this subject, I should like to ask what has been the result of the deputation of Mr. Tymms to the United States of America. Mr. Tymms, I believe, has come back to this country but I do not know to what extent his mission, which was supposed to be in connection with the purchase of aircraft in the U. S. A., has been successful. Has he been able to obtain the co-operation of the U. S. A. or has Lord Beaverbrook's Ministry stood in our way even there? I hope that the spokesman of the Government today will give us information on this question and be able to assure us that with the support of the U. S. A. we shall soon be in a position to set up a factory for the manufacture of aircraft.

Sir, I may well be asked before I leave this question as to what would happen to the aircraft factory after the war when it would not be possible to employ it to the full extent of its capacity. I can only say, Sir, that it could be used as, for instance, motor car factories in France are used, for the manufacture of armaments and munitions in general. But apart from this fact, I think the assurances given by the Honourable the Commerce Member in regard to industries started in connection with the fulfilment of war needs will apply to the aeroplane factory also. He made the announcement in the Assembly on the 12th March last that—

"in case we in any form encouraged the development of industries for our war needs, we shall make it clear that at the end of the war, those entrepreneurs who had come to the assistance of the State and had developed such industries would not be left high and dry to take care of themselves"

and I naturally hope that this assurance would be put into effect by Government in regard to aircraft manufacture also. What is the time still at my disposal, Sir?

THE HONOURABLE THE PRESIDENT: Five minutes.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: It is difficult, Sir, to deal with the question of the construction of automobiles in five minutes, but I know that I am myself to blame for the short time that I have at my disposal.

Sir, the question of the construction of automobiles in this country was first mooted in 1936, but I gather from a pamphlet published by Sir M. Viswesvarayya of which I hold a copy in my hands that the Government of India declined to extend any help in this connection on two grounds. They were not prepared to depart from the recommendations of the Fiscal Commission which, among other things, laid down that help was to be given only to an infant industry. As the motor industry had not been started, it could not be regarded as an infant industry and the Government of India, therefore, I understand, declined to help it. This illustration shows, Sir, how defective the recommendations of the Fiscal Commission have proved to be and how necessary it is in the altered circumstances of the world and this country to revise them suitably as early as possible. The Government of India also declined to commit themselves beforehand, that is, before the factory was

[Pandit Hirday Nath Kunzru.]

actually established, to purchase from it a part of its products for Government use. Government were asked for assistance in two forms, namely, in respect of tariff duties and the purchase of the automobiles constructed by the company that was formed. But the Government of India replied in the negative to both these requests. The Bombay Government, however, proved more helpful, and the Honourable Mr. B. G. Kher, Prime Minister to the late Government, wrote a letter to Sir M. Viswesvarayya offering provisionally, and subject to certain stated conditions, a guarantee of 3 to 3½ per cent. interest on a capital issue of Rs. 150 lakhs for a period of ten years. The scheme could not be completed before the Congress Government went out of office. But the project has again been placed before the Government of India and their help has been requested. What their attitude at the present time is I do not know. But I hope at least now, because my Honourable friend Sir Ramaswami Mudaliar is Commerce Member, their attitude will be more favourable than it was four years ago. The people who are behind the proposal for the construction of motor vehicles have been able to secure the assistance of two first class companies, the Chrysler Corporation of the U. S. A. and the British Motor Car Company of England. It will thus be seen that they will be in a position to manufacture both low power and medium power cars efficiently in this country. The question, therefore, which arises is this. Can the Government of India legitimately afford the promoters of the project that I have dealt with the assistance that they asked for four years ago? In view of the fact that they have been able to secure the help of well established motor manufacturers, there need be no fear that the vehicles produced in this country will not be of a thoroughly up-to-date pattern. The war moreover has shown the necessity of enabling this country to manufacture motor cars. Every country today is making use of tariffs in order to help its motor industry. The U. S. A. and England appear to be an exception to the rule. But then, the U. S. A. industry has established itself. Before it had established itself it was helped to a considerable extent by the State. In England no direct assistance is given by Government. But apart from the ordinary revenue import duties, the local taxation that is levied on cars registered in England is such as to promote the manufacture of low power cars which are produced on a large scale in that country. Besides this, Sir, Italy, France, and Germany, all help their motor car industry. Canada too, I understand, imposes a heavy duty on foreign cars. I do not know what the situation at the present time is. But, about 15 years ago, the tariff duty together with all the imposts that had to be paid on the importation of cars amounted to about 50 per cent. of the original value of the car. Italy, I understand from Sir M. Viswesvarayya and from some other sources too, imposes a duty of 80 per cent. on foreign cars. I see no reason, therefore, why the Government of India should not be willing to help the construction of motor vehicles in this country, especially as the question is one of national interest. The question of the purchase of motor vehicles from the company concerned is not free from difficulty, and the military authorities may, at this time, well hesitate to buy a vehicle of a new kind. But, in view of the fact that the Indian company has been able to obtain expert assistance, I think that the military authorities may feel reasonably sure that their requirements will be properly met by the vehicles manufactured in this country.

Sir, I have tried to obtain correct and up-to-date information on this question as far as I could. I have not depended entirely on the information that I have received from the promoters of the project that I have dealt with.

I have in this matter obtained the assistance of the Commerce Department of the Government of India also, and have had to consult books which bear on the subject. I find, roughly speaking, that the information that is available independently of that supplied in the pamphlet to which I referred a little while ago bears out the accuracy of the statements made in it. I do not know what exactly the position of the Government of India is in respect of it, but I shall be surprised if my Honourable friend Sir Ramaswami Mudaliar, who has taken a very keen and persistent interest in the development of Indian industries, is unable to give us a hopeful answer to-day.

Sir, I move.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, I wish to move an amendment to this Resolution.

THE HONOURABLE THE PRESIDENT : I have no objection although you have not given proper notice.

THE HONOURABLE MR. HOSSAIN IMAM : Sir, I move :

“ That at the end of this Resolution the words ‘ in national workshops ’ be added.”

Mr. President, the Honourable Mr. Kunzru has stated the case for the establishment of this industry in a very lucid and forceful manner. I think even the Government will agree that the establishment of these industries is essential for the safety and preservation of the integrity of the Indian Empire. The only difference between me and my Honourable friend is that he leaves the matter free as to whether it should be by private enterprise or by State management. I on the other hand insist on having State control. When it is considered that the purchaser of the aircraft will be only the State, it can very well be realized that it would be a better economic proposition to manufacture it ourselves rather than leave it to others—

THE HONOURABLE MR. R. H. PARKER : Not necessarily.

THE HONOURABLE THE PRESIDENT : Are the national workshops ready ?

THE HONOURABLE MR. HOSSAIN IMAM : Neither is the company workshop ready. They are all in the same boat.

THE HONOURABLE THE PRESIDENT : Pandit Kunzru's Resolution is to start this work immediately.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What I have said is “ to provide for the construction ”, that is, to take such steps as might result in the manufacture both of planes and motor cars at the earliest practicable time.

THE HONOURABLE THE PRESIDENT : Your wording is “ to take immediate steps ”.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : “ To provide for the construction ”. It is obvious that the construction of factories will take some time.

THE HONOURABLE MR. HOSSAIN IMAM : After all is said and done, no manufacture can be started in India without the active support and co-operation of the Government today, because you cannot get shipping space, you cannot get foreign exchange for the purchase of machinery without the co-operation and support of the Government. My point was that, as long ago as 1921 the League of Nations decided that armaments should be manufactured only in State factories. All the signatories to the League Conventions have not honoured that Resolution, but still one of the members, France, decided to have national factories for the manufacture of armaments. Aircraft no doubt are required for civil purposes as well, but at the moment our concern is more with the military aircraft, fighters and bombers than for civil purposes. The reason why this Resolution is being moved today is that we need to be self-sufficient in the matter of air protection.

As regards automobiles, in the ordinary course of business it was really a legitimate field for private enterprise, because here the civil demand far exceeds the possible military demand, but at the moment the tables have been turned, it is the military demand which predominates. I think very few people are aware that our Defence Department have spent something like Rs. 12 crores on the purchase of automobiles. If this money had been spent in India it would have given a fillip to the industry which would have now been on its legs with a great deal of ability to face dangers. And the programme of expansion as has been envisaged contemplates the purchase of a further Rs. 15 crores worth of motor vehicles. If all this amount of money is to be spent on the purchase of a commodity, I suggest that it is a better proposition to manufacture it ourselves. The invariable reply that we receive from the Government whenever we ask them for action is that inaction is the better policy because it allows the thing to be done quickly. But when we ask them to do the things early enough, they face us with the fact, where is the market? This suggestion that we should manufacture our own automobiles and aircraft was made by me as far back as April last, when we had the honour of listening to General Molesworth. Then the British Government was not in the difficulties in which it is at present. The Red Sea and the Mediterranean were then open; Italy had not then gone over to the Axis and France had not fallen; Norway, Belgium, Holland and Denmark were still independent countries. Then it was time for the British Government for inaction; and now when they are purchasing all these things, these automobiles, they say they are in a hurry to buy. I venture to differ from them. The military authorities, if they want motor buses and trucks, can requisition from the Indian people. There are enough motor buses and trucks in the country which could be utilized in case of war if it is started, God forbid, in the immediate future.

THE HONOURABLE SIR RAMASWAMI MUDALIAR : Am I to understand from the Honourable Member that he has no objection to requisitioning civil motor cars and buses if required for military purposes?

THE HONOURABLE MR. HOSSAIN IMAM : If immediately required, Sir.

THE HONOURABLE SIR RAMASWAMI MUDALIAR : I do not know what the Honourable Member means by 'immediately required'. After the requisitioning there is a certain time which must be spent necessarily in fitting them out for the particular military need. You cannot simply take a bus off the road and make use of it for the particular military purpose.

THE HONOURABLE MR. HOSSAIN IMAM : Sir Ramaswami has made a very pertinent question that there will be some time lag between its acquisition and its usefulness, but my reply to that is that we were carrying on business with 5,000 motor vehicles before the war started. At the moment we have got 32,000 motor vehicles. We have purchased 27,000 motor vehicles since the war started, and the programme at the moment is that we will buy a further batch of 28,000 motor vehicles. I was asking that the purchase of 28,000 motor vehicles might be postponed till we have started a factory of our own and that the 32,000 motor vehicles that we have at the moment should be sufficient automobiles to deal with any immediate danger. The number of troops that you have got is not more than that would be conveyed with 32,000 motor vehicles. Finally you will reach the figure—the minimum requirement—of 60,000 motor vehicles, which is the original estimate of the Defence Department. But sometimes I am afraid you place the cart before the horse. Before having the army you are anxious to have the motor vehicles fearing that the sea route to America might become dangerous as the Mediterranean route has become dangerous. Therefore you wish to put in all the motor vehicles on your soil before the danger arises. I appreciate that point, but I would venture to suggest that it is not likely to happen. If that happens, i.e., there is danger in the Pacific, then your point of having aircraft produced entirely in Australia will also go. You cannot have it both ways. If you cannot get motor cars from abroad then you have to establish an aircraft factory here. You must choose between the two. Either you say that you are able to maintain it free or you must come out and decide that you cannot maintain it. Therefore you must start an aircraft factory in India. There is no escape from it.

Now as regards aircraft, I have been strengthened in my demand by the statement made by the Honourable the Commerce Member which Pandit Kunzru read out, in which the Commerce Member has given the Assembly to understand that the Government will come to the rescue of those who develop war industries. Ultimately it is we the taxpayers who are to foot the bill; but when the question of profit comes it is the capitalist who must pocket it. That is indeed very strange that the loss be borne by the taxpayer and the profit is to go to the pockets of the capitalists. Profit and loss are the two inevitable things on which life is based. If you are not prepared to bear loss, why should I guarantee profit? It is of utmost importance that we must have aircraft factories in India because no one knows what will happen to the communications. In addition to that the space in ships required for the transport of the aircraft is a big item. For instance, in one ship you can bring 50 aircraft but that one ship might bring all the machinery for starting the manufactory and we might manufacture our own aircraft by starting our factory here. There can be no two opinions on the advisability of making India self-sufficient in the matter of aircraft production. As Pandit Kunzru has suggested, this factory will not be an absolute loss. It can be utilised for other purposes. If you consider a small amount of capital which is required in order to start a factory you will consider that it is a good investment. We have the instance of the locomotive industries. The Committee which reported to us said that a crore was required for machinery, buildings and everything whereby we could manufacture locomotives of the amount of Rs. 4 crores per annum. That was about the requirements of the Indian Railways. Government must have figures about the cost and I hope they will enlighten us on the issue as to what will be the cost of establishing an aircraft factory for giving a reasonable supply. But I venture to suggest that it will not be excessive or very high; it will not be an amount which cannot be found by the Government of India. The position is this that we are all agreed, at least the Government pays lip service, regarding the necessity of establishing an aircraft manufactory in India. If a

[Mr. Hossain Imam.]

small beginning is made to manufacture light armoured cars on imported chassis, as Mr. Dow pointed, I would ask them to go a step further to make chassis themselves. The automobile industry, if it is started in the Government workshops, will not be at a loss as, after the war, you can hand over your plant to private people even at a loss. It will not be a loss because by giving the plant at a cheaper price to the capitalists you will have lesser overhead charges, and in that way you will be helping the establishment of an automobile industry in India on a sound foundation.

Sir, I beg to move.

THE HONOURABLE THE PRESIDENT: Amendment to the Resolution moved :

" That at the end of the Resolution the words ' in national workshops ' be added."

Debate will now proceed both on the Resolution and amendment simultaneously.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay: Non-Muhammadan): Sir, it is not necessary to make a lengthy speech in support of the Resolution moved by my Honourable friend Pandit Kunzru. The need for the construction of aircraft and automobiles in India must be a self-evident proposition to everyone, especially in war time. How these problems are viewed in a self-governing dominion would be obvious from a reference to Australia. The Australian Premier, Mr. Menzies, described his defence policy in the following terms on the eve of the last election :

" We are determined to do everything that we can to keep Australia safe from attack, invasion or conquest by the maximum development of sea, air and land power. Australia should not commit the mistake of France in depending on allies and friends for that ' cloud of aeroplanes ' the lack of which was responsible for her collapse."

He wisely advocated a balanced organization depending for its supplies and equipment entirely on Australia's industry and her resources of raw materials. The Australian Premier, in describing the war burden laid on the people as one undreamed of before, put forward the following plea which I commend to the notice of the Government of India :

" In the very carrying of this burden", declared the Premier, "we are laying industrial foundations, opening up new resources, acquiring new skill and experience; and these things will, when the war is over, provide the essential conditions of a great era of Australian development. Our war needs are likely enough in many ways to provide our peace opportunity".

Sir, I make no apologies for drawing the attention of the House to the point of view of the head of a self-governing dominion. Can we honestly say in India that our Government is taking the same active interest in sponsoring a scheme for the production of aircraft in this country? Sir, there have lately appeared disquieting reports that Lord Beaverbrook and the Ministry of Aircraft Production in Britain are creating difficulties in the way of an Indian aircraft factory coming into existence. If this report is correct, I can only say that it is not only detrimental to India's interest but short-sighted even from Britain's own point of view. I can only hope that the Government of India will not allow foreign vested interests to hold up the progress of a scheme essential for our national safety.

Sir, I have heard ingenious arguments being put forward against India establishing an aircraft factory of her own. It has been suggested, for instance, that after the war the production of aircraft in more advanced countries will be on such a scale as to kill new factories such as the one under contemplation in

India. If there is any validity in this argument, Sir, I am confident that the Government of India will see to it that nothing comes in the way of the progress of so essential an industry after the war is over. There are many ways in which a Government can help : it can guarantee the purchase of a minimum number of planes, it can give bounties or subsidies until the factory is able to stand on its own legs. I earnestly hope, Sir, that the Government will be able to go beyond the negative statement of the Finance Member that proposals for the establishment of an aircraft factory have not been abandoned. Surely, Sir, this is not good enough. We want a positive assurance that the Government will do everything to expedite the plan so that India may be able to produce her own aircraft at the earliest moment.

The same considerations apply, Sir, to the production of automobiles in India. Here again may I cite the example of Australia ? The Australian Government entered into an agreement with a local company, immediately after the outbreak of war ; the agreement provided not only for the payment of bounties on the first 60,000 cars manufactured by the company, but also for substantial purchases by the Government, tariff concessions and measures intended to prevent unfair competition from foreign producers. We have already had details of a plan for the establishment of a factory to produce motor vehicles in this country. With the rapid mechanization of the Army in India I cannot believe that for many years to come there will be any difficulty in the way of the Government of India guaranteeing the purchase of large number of vehicles for the needs of the Defence Department.

I will only add, Sir, that both civil aviation and road transport are still in their infancy in this country. Even apart, therefore, from the paramount necessities of the war, India can well afford to have not one but many factories for the production of aircraft and automobiles to serve the needs of the civil population in peace time. I give my hearty support to this Resolution.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar : Non-Muhammadan) : Mr. President, I give my wholehearted support to the Resolution brought forward by the Honourable Pandit Hirday Nath Kunzru. It is absurd that so late in the day, after so much experience about the war by different countries, one should have to make out a case for such a thing here in this House. The air arm is an essential part of modern defence forces, the deficiency of which is mainly responsible for the present predicament of Britain. The Indian Air Force of one squadron, to which three more squadrons are proposed to be added, will still remain a ludicrous force. India cannot look on this with equanimity, nor can she with comfort remain content with the hope that she will be able to buy planes when she needs them. India has no colonies that she can sell to buy them, nor is any other country in a position to execute orders when the crisis comes. There are two things that are principally required for the manufacture of aeroplanes or automobiles, viz., equipment and trained mechanics. These two difficulties can certainly be overcome if the help of Indians and Indian industrialists is sought in the right spirit. If, with the co-operation of Britain, Australia and Canada can manufacture these things, why cannot India ? England wants India's help in the war, but truly speaking, Sir, we cannot follow what help she wants ? Does she want only men and money and raw material, or does she want India to take her due share in the manufacture of war requirements ? Does she or does she not want that India should start the manufacture of the principal arms of warfare and the vehicles of transport ? If the attitude of Government on questions like these remain doubtful, India's co-operation cannot be wholehearted.

[Rai Bahadur Sri Narain Mahtha.]

The word "immediate" that appears in the Resolution seems to cause a scare. But, Sir, the most natural and necessary condition precedent to executing a work is to start it. If you never make a start, how can you ever expect to do it? We shall have to import the necessary trained staff from elsewhere to witbeginh but these must train Indian technicians to take their places.

How many years has Japan taken to become a world power? Certainly a lesser number of years than we have been under the British yoke. But time here and time in Japan has been used for different purposes. It is the outlook that counts; it is the attitude that counts. The attitude of the Government of India has been damnable——

THE HONOURABLE THE PRESIDENT: The word is not a parliamentary expression. Will you please withdraw it?

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: Very well, Sir, I will replace it by the word "contemptible". The attitude of the Government of India has been contemptible in respect of defence and equipping the country and making it self-sufficient as far as possible in the matter of defence, and the consequences of not making India self-sufficient and war-minded is now going to be shared both by England and India together.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan): Sir, loyal as he is to the British Empire, I am quite sure that the Honourable Mr. Dow will view this Resolution with sympathy, because its underlying object is to enable India to defend herself properly and to help actively in the prosecution of the war. Therefore, I do not see how he can take the line that Government used to take before. Sir, about two or three months ago, there were articles in some of the papers in England—I think one of them appeared in the *New Statesman* and I happen to have read it—I have not a copy of the *New Statesman* with me and even if I had I could not have quoted from it. So, I will just say what I remember of those articles. There appeared articles in the *New Statesman* and the purport of those articles was this. The old National Government—not the National Government which is now presided over by Mr. Churchill—was unwilling to utilise the Dominions for increased industrial effort because it was thinking of what will happen to British industry after the war. It was not placing the interests of the country first. It was placing the interests of a particular class first. Well, the present National Government has been more vigorous in the prosecution of the war and I think one of the directions in which it can show its vigour in the prosecution of the war is to make India self-sufficient. We, Indians, have to face the situation boldly and squarely. We have not only to think of the defence of the British Commonwealth; we have also to think of the defence of India. I wish, Sir, to pay a tribute to that great newspaper to which reference was made by Pandit Kunzru, the *Statesman*. Mr. Arthur Moore and the *Statesman* have been rendering a great service by drawing attention to the urgency of the question of Indian defence. I always read the leading articles of that paper with respect and admiration. Sir, we do not wish to remain in an absolutely helpless condition. Canada and Australia were not producing aircraft before the war. Australia, I believe, had no automobile industry before the war. I find that it was on 19th December, 1939, that the Commonwealth Government entered into an agreement with a local company, the Australian Consolidated Industries Ltd., for the manufacture of motor vehicles, and, Sir, I find that an Act

was passed by the Australian Parliament, called the Motor Vehicle Engines Bounty Act, providing for the payment of a bounty of £1,500,000 for the first 60,000 motor vehicle engines manufactured by the company. I should like to contrast this attitude of the Australian Government with that of the Government of India. The Commonwealth is not merely interested in the defence of the Empire. It is also thinking in terms of the defence of Australia. The Australian Labour Leader, has been emphasising that Australians must keep their reserves for Australia. Here we are anxious to help ; we are eager to help ; we are desirous of helping you in this struggle. But you really have shown no desire to utilise that co-operation. We, therefore, cannot feel the enthusiasm which we otherwise would have felt for the war effort.

Sir, in a pamphlet which I have before me, Sir M. Viswesvarayya has tried to show that the establishment of an automobile industry is possible in this country. He has been trying to have this industry established since 1934. He has been pleading for some help from the Government for the establishment of this industry. The Congress Government, which went out of office, was helpful, as I understand from this pamphlet. But the Government have been sitting tight over that proposal. The recommendations of the Fiscal Commission that the raw material must be found in this country and so many other conditions must be fulfilled before you can get protection has always stood in the way of the establishment of an automobile industry. If the conditions laid down by the Fiscal Commission had been followed by European countries, they would not be industrial countries today at all. They depend for raw materials on colonies, on other countries. One great disadvantage which the Axis Powers have as compared with the Democratic powers is that they are deficient in raw materials. England would not have been a great industrial country if she had depended upon her own raw materials for the expansion of her industry. France would not have been a great industrial country if she had depended upon her own raw materials for the expansion of her industry. The fact has got to be faced boldly and we must be frank about this. The fact has got to be faced boldly that British capitalism has thought too much in terms of British interests so far as Indian interests are concerned. Therefore there has been no inclination to support legitimate industrial activity in this country. Well, you must get rid of this mentality. If you want to win this great war, you must place not your particular class interests or your race interests first ; you must place the interests of honour, the interest of the defence of freedom, the interest of the defence of democracy first, and when you can show that you are placing those interests first and if you take energetic steps to give India a place on the industrial map of the world only then India's co-operation can be valuable. Canada and Australia were not preparing aircraft when the war started. The schemes put forward in September were rejected ; but they are preparing aircraft now, and Britain is relying to a great extent upon Canadian aircraft production and supply. Well, schemes were put forward by our industrialists in September and nothing has materialized so far. Why should there have been this delay ? Why is there this difference between the treatment meted out to Canada and the treatment meted out to India ? I think the reason is obvious. Canada is fortunate in possessing a Government responsible to the people of Canada and we in this country are unfortunate in possessing a Government dominated by class and bureaucratic interests, which will not allow the Government to move with the times even in the midst of a great war, which, if lost, might mean disaster for all—the dark, the brown and the white races of mankind. Therefore, I think this question has got to

[Mr. P. N. Sapru.]

be viewed from a broad angle, and the ordinary difficulties put forward—we cannot get machinery, etc.—ought not to be put forward. Effort must be made. The Indian public must be convinced that effort is being made to do all that is humanly possible to promote these industries or this particular industry. We know what the value of the air arm is. Mr. Churchill I think was right in emphasising that England in her preparations was not paying sufficient attention to the air arm. The old vested interests of the army were thinking in the old, old way. They did not attach any importance to the air arm, with disastrous results in the French adventure and in the Polish adventure. Well, we do not want to suffer the fate of Poland, or the fate of France or the fate of Belgium or the fate of Holland.

THE HONOURABLE THE PRESIDENT : Your time is up.

THE HONOURABLE MR. P. N. SAPRU : Yes, Sir, and I am also up.

AN HONOURABLE MEMBER : Uppish !

THE HONOURABLE MR. P. N. SAPRU : The bureaucrats are uppish ; I am not uppish. I leave that to the bureaucrats or those who sit on the Treasury Benches.

THE HONOURABLE THE PRESIDENT : You are not very complimentary to your Indian Members.

THE HONOURABLE MR. P. N. SAPRU : There is no question of Indian or European. It is only a question of the Treasury composition and their uppishness.

And, Sir, with these words, I support this Resolution.

THE HONOURABLE MR. H. DOW (Nominated Official) : I must again explain to the Honourable Member who spoke last that I am not the Member in charge of this Resolution ; he seems to be rather unfortunate in his guesses.

Sir, I was not very surprised to learn late last evening that the Honourable Mr. Hossain Imam had decided not to move part (d) in the Resolution which was put down for his name this morning.

THE HONOURABLE THE PRESIDENT : He wanted to move it but he told me that he was engaged elsewhere.

THE HONOURABLE MR. H. DOW : I am not referring to the fact that he did not move the Resolution. I am referring to the fact that last evening he had expressed his intention, when he moved the Resolution, not to move clause (d), which provides for the opening of national workshops for the manufacture of tanks and aircraft. It seemed to me that that was due to a sudden realization on his part that that meant the immediate expenditure of money, and that it would come rather ill from a member of a Party that was not prepared to vote money.

THE HONOURABLE THE PRESIDENT : May I tell you, it means something more. It would have barred the Resolution of the Honourable Pandit Kunzru and I could not allow it under Standing Order 69.

THE HONOURABLE MR. H. DOW : I was going to explain that that was my feeling, but I was going on to apologize for having done the Honourable Member an injustice, because I saw after all that he intended to produce the same effect by moving an amendment to this Resolution. I only now wish to refer to the fact that these are entirely new industries which he wishes to set upon a national basis. I could understand that if he were merely pleading for the nationalization of existing industries, he might so arrange his finance that no immediate contribution would be necessary. But I am pleased to see (although this is an amendment which I am afraid Government will not be able to accept) that at any rate it indicates the realization by the Honourable Mr. Hossain Imam that immediate additional expenditure for the purpose of stimulating—I am now quoting from his former Resolution—“to stimulate the war efforts and to get the maximum results from the slender resources of India”—is necessary. And I am welcoming this because this is an indication that when the Honourable Member has the opportunity to vote additional funds he will I presume do so.

He referred to national workshops. I take it that he would include in national workshops our ordnance factories and our railway workshops. In speaking to the main Resolution I shall only deal to a very small extent with the question of armoured fighting vehicles for the production of which the Supply Department is responsible, and with aircraft. The Honourable Member in charge of the Commerce Department will deal with the broader aspects of the manufacture of automobiles. As regards the production of armoured fighting vehicles, the armoured fighting vehicle consists of a specially constructed vehicle on a chassis which has been hitherto, and indeed at present is, imported. Before the war our armoured fighting vehicles were all imported in a complete state from the United Kingdom. Before the war broke out, the question of a suitable chassis which could be imported from America and on which we could build up our own armoured bodies was being investigated. A very great deal of progress has been made on that and a suitable chassis is now being produced. You are aware that the building of armoured vehicles in India has to be dependant on the production of satisfactory armoured plate in India. This was not made before the war. The difficulty has been successfully overcome and Messrs. Tata are now producing armoured plate. The general programme for the mechanization of the army, combined with a great expansion in the size of the army has given us a very large problem; but to the extent that the necessary armoured plate can be produced we shall now be building armoured fighting vehicles—I am not of course referring to chassis—in India. And for the most part these would be made in what the Honourable Mr. Hossain Imam has admitted are national workshops.

To come to the question of Aircraft. I should like to acknowledge the extremely moderate and cogent way in which the Honourable Pandit Hirday Nath Kunzru has put forward his arguments. He has said quite rightly that he has not had a very great deal of material, and I should like to acknowledge that is perhaps my fault and the fault of the Government that his material is so scanty. We do not make a great deal of material public on such matters for very obvious reasons, and I must apologize if even now, in speaking to this Resolution, I do not give away a great deal of new information.

I should like to read from a Reuter's telegram which reached me this morning, and which possibly the majority of the Honourable Members have not yet seen. The Secretary of State speaking on this very subject in the House of Commons, referring to the expansion of the Indian Air Force, used these words :

“Nothing, indeed, except the imperious limitation imposed by the more urgent demand for machines here and in the Middle East stands in the way of a far greater response to India's eagerness to develop an air force comparable to her army. That same

[Mr. H. Dow.]

inevitable limitation has hitherto prevented immediate realization of India's widespread demand for the starting of an aircraft industry of her own".

I would like to make it clear that the difficulties in starting immediately an aircraft industry in this country are purely practical. Government, no less than anyone else, are fully alive to the necessity of getting an aircraft industry started in this country at the earliest possible time. (Hear, hear.) Within my recollection there has never been a case of such importance arising in the Government of India that has been dealt with so quickly and with such vigour as soon as it was taken up, and it will continue to be dealt with on these lines.

THE HONOURABLE MR. HOSSAIN IMAM : When was it first taken up ?

THE HONOURABLE MR. H. DOW : The first practical proposition was brought before me, I think, on the 1st of July. It was brought to me personally by a gentleman whom you all know—Mr. Walchand Hirachand. I have had controversies with Mr. Walchand Hirachand on other matters, but I feel quite sure that Mr. Walchand Hirachand himself in this matter would agree that there is no practical step which he would have taken himself had he been in my place, that has not been taken in the Supply Department, and he himself would agree that as soon as his project had been brought before the department it has been pushed with all the vigour and all the celerity possible.

Now there are two possible ways in which an aircraft industry could be started in this country. One might start with an assembly plant in which imported parts of aeroplanes would be put together, and side by side with that one would try to develop the making of the individual parts so that eventually there would be a complete factory independent of imported materials. The other possible method would be to bring from somewhere else a complete factory, lock stock and barrel, and erect it in this country. The second method has very recently been advocated in the Press, but was thought of by the Rip van Winkles of the Supply Department many months before and has been under investigation.

If you are to have a purely assembly plant you are faced with very great difficulties in getting not only the machinery for the erection of these but in obtaining the actual parts themselves. You all know generally what the situation in Europe and America is. It is all very well for us to sit here in an atmosphere of great security and to suggest that we ought to have a prior claim in getting material required for the erection or starting of a new industry in this country. You are aware of the very great shortage of aircraft at home. You are also perfectly well aware that, since we took this matter up, the situation in America, or rather perhaps I should say America's realisation of her own situation, has progressed. America will not so readily spare material as she might have done a year ago. She wants more of it herself. And we sitting here are in no position to estimate the enormous responsibility which lies upon the shoulders of the men at home who are responsible for equipping and maintaining our own air force in that country at this time.

If you are going to get a whole factory erected here, you have got very much the same considerations to think of. There is a great shortage of production at Home, and the possibility of existing factories being suddenly bombed and wiped out. Which of us would say that he would be willing to take the responsibility at this moment of decreasing rather than increasing the facilities that are available in England ?

As regards the manufacture of the various parts of aeroplanes, at the beginning of this year a regular survey of the possibilities was made by the Chief Inspector of Aircraft. There was at that time no suitable steel being made in this country. That is a thing that we think can be overcome. Tatas are confident that they could with sufficient demand make a steel which would be suitable for the purpose : it requires, of course, the importation of certain alloys. But there is no plant in India which could be used for its manufacture. Tatas themselves would be unable to roll or draw materials into the required form for fabrication, and there is no plant in India for the manufacture of various essential parts of the aeroplane such as steel tubing, streamline wires, copper pipes, steel flexible wires. The real difficulty is in getting machinery, materials, spare parts, at such a time as this. But the Government of India are fully alive to the necessity of doing what can be done in the earliest possible time.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution which has been so ably moved by my Honourable friend Mr. Kunzru. In view of what Pandit Kunzru and Mr. Shantidas Askuran have said, there is very little left for me to say. But my Honourable friend Mr. Hossain Imam observed that such like undertakings should be done by national workshops. I would say that even the Government of England buys and have been buying these armaments from private firms. Here the Government is trying to raise as much money as it can for the war and therefore if a private company comes forward and undertakes the work, Government ought to welcome and patronize it. I gather from what the Honourable Mr. Dow has observed that the Government is prepared to undertake the work as soon as possible.

Sir, my own view is that the Government in the last few years did not think it proper to patronize or to establish this industry which, according to my information, has been under consideration of the company since 1936. If they had done this and patronized the company set up, India would not have now to face the difficulty in finding chassis and other stores for the Supply Department. The future is still dark and I think India ought to play a great part in carrying out such schemes and in establishing important industries in connection with the manufacture of armaments and other war supplies in India. I see, Sir, that a company is being started in Australia for the manufacture of aircraft. No one expected some time back that the Mediterranean route would be practically stopped to the British. It looks now, Sir, that in case Japan falls in with the Axis powers, there may be difficulty in getting plant and armaments from Australia too, as the water route will be in danger in a similar manner as the Mediterranean. Therefore, Sir, if the Government is eager to start the work as soon as they can, they ought to start it forthwith. Now, the best way for Government would be to give every encouragement to the company which has been lately started, and in which connection Mr. Walchand Hirachand had an interview with the Honourable Mr. Dow. It would be in the fitness of things that the extent of protection that this company deserves should be given to it.

With these words, Sir, I support the Resolution and hope that whatever Mr. Dow has said will materialize as soon as possible.

THE HONOURABLE THE PRESIDENT : Honourable Mr. Kunzru, in view of the statement made in the speech of the Honourable Mr. Dow, do you wish to press this Resolution to the Motion ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I want to know, Sir, what the Honourable Member of the Department has got to say. Is he not going to reply to the Resolution ? I am entitled to know who is in charge of the Resolution.

THE HONOURABLE THE PRESIDENT : You may take it that Mr. Dow is in charge.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But he said he was not in charge of the Resolution. He was only dealing with certain aspects of the question.

THE HONOURABLE SIR ALAN LLOYD : I think, Sir, I should say that I am in charge of the Resolution.

THE HONOURABLE THE PRESIDENT : Do you wish to speak ?

THE HONOURABLE SIR ALAN LLOYD : I would prefer to let the Commerce Member speak.

THE HONOURABLE SIR RAMASWAMI MUDALIAR (Commerce Member) : Mr. President, the Honourable Mr. Dow has dealt with the question of aircraft production fairly fully and I trust that after the statement that he has made the Government of India at least will not be charged either with being that which I cannot describe in this House but which was mentioned by the Honourable Member opposite, or even that other thing which I personally think no gentleman of this House should mention but which fell from my Honourable friend as being a characteristic of the Government of India.

I should like to turn my attention to the question of the motor industry and deal with it from the Commerce Department point of view. I am glad that both my Honourable friends Pandit Kunzru and Mr. Sapru have recognized that occasionally the Commerce Department may be as interested in the development of Indian industries as any of the Honourable Members opposite. This case of the motor car industry has been engaging our serious attention for some months and if I make any remarks at all on the nature of this industry, on the peculiar difficulties which are attendant on the development of the industry, I should like it clearly to be understood that I do not want to throw cold water on any venture whatsoever, but that I feel it is fair in the interests of the public that all aspects of this question should be clearly stated. I am especially anxious to take the House into confidence to some extent as regards the problems that face any entrepreneurs who want to start a motor car industry because of the volume of agitation that has appeared in the press recently during the last few months regarding the automobile industry. If one were to read the articles in the newspapers and one were to form conclusions therefrom, one would think that it was the simplest thing in the world to start a motor car industry and that a pugnacious and altogether unreasonable Government is in the way of starting that industry. Now, Sir, it is not really so. My Honourable friend Mr. Askuran suggested in a very breezy fashion—and coming from him, a business man, I was taken aback at the suggestion—that in India several factories may be established for the production of motor cars. The total import of all kinds of motor cars, trucks and every other kind of motor vehicle, into India annually is somewhere between 20,000 and 25,000—

THE HONOURABLE MR. SHANTIDAS ASKURAN : Including army requirements ?

THE HONOURABLE SIR RAMASWAMI MUDALIAR : Not including the army requirements. My Honourable friend knows quite well that till recently the army requirements were not of a very large size or order, and an industry cannot surely be built up on the precarious and somewhat unexpected developments that may take place in army requirements at times like the present.

Now, something has been said of British interests standing in the way of the development of the motor car industry, and some Honourable Members seemed to be under the impression that it was some British venture or some British industry that is hampering the progress or the starting of this particular venture. Out of these 20,000 or 25,000 cars and trucks of every kind, 16,000 come from America including Canada. That leaves between 4,000 to 8,000 or 9,000 cars and trucks which come from the rest of the world. I am sure Honourable Members know what a wide variety of cars are used in this country—Italian Fiats, French cars, German cars and British cars, so that, in this industry at any rate, British interests are not dominant. In fact, it is a diminishing market with the British manufacturer so far as automobiles are concerned in this country. To suggest, therefore, that it is British interests that stand in the way of the development of this industry is, to put it very mildly, to draw an inaccurate picture of the situation.

THE HONOURABLE MR. SHANTIDAS ASKURAN : I did not mean about the automobile industry. I only meant about the aircraft industry.

THE HONOURABLE SIR RAMASWAMI MUDALIAR : Several factories to be started for the manufacture of aircraft ?

THE HONOURABLE MR. SHANTIDAS ASKURAN : Only one. That is what I meant.

THE HONOURABLE SIR RAMASWAMI MUDALIAR : Now, Sir, reference has also been made to the fact that in Australia, concessions have been given, a bonus or subsidy has been paid and £1,500,000 has been given. The Honourable Member may take it from me, if it is already not known to him, that the whole of the Australian venture has been put into cold storage, that there is no manufacture of motor cars in Australia at all, that the scheme approved by a Minister has been scrapped, that the entire Cabinet is against that venture at the present time and that, therefore, there is to no greater extent the manufacture of automobiles in Australia than there is in this country. There are assembly plants and, as I shall show, in India also there are three assembly plants—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : May I interrupt the Honourable Member ? What he said is perfectly true. But I hope he will at the same time admit that the Act allowing of the payment of a bounty on the construction of motor cars in the country has been passed. The principle, therefore, of helping the indigenous industry has been accepted by the Australian Government and the Act embodying it is on the Statute-book. When it will be given effect to is a different matter altogether, I admit that help has not been given to it as yet.

THE HONOURABLE SIR RAMASWAMI MUDALIAR : The principle has been accepted by both the Houses of the Central Legislature and by the

[Sir Ramaswami Mudaliar.]

Government of India as far back as 1923 when the Legislature had an opportunity of considering the Fiscal Commission's recommendations, that a subsidy or bonus can be given, that sufficient protection by way of a high tariff wall can be built up for the encouragement of any such industry—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : To an infant industry. What about an industry that had not been started ?

THE HONOURABLE SIR RAMASWAMI MUDALIAR : Well, Sir, I do not know whether the Honourable Member requires an Act to be passed which the Government may not act upon as in Australia and whether that will satisfy those who are concerned with the starting of an automobile industry. I was only mentioning the difficulties in the way.

Now, Sir, the problem before Government has been how to assist this automobile industry if it is started. Let me say that the question of raw material is not a serious problem so far as this industry is concerned, particularly at present when, as my Honourable friend Mr. Dow has pointed out, the production of all kinds of alloys for steel has become more and more a practical proposition in this country, thanks to the efforts and the adventurous spirit of Tatas. If that is so, what is really required with reference to this industry ? Certain propositions have been put before Government. They were put some time at the end of last year, i.e., 1939. Persons who are interested in promoting this industry desired that Government should guarantee for the next ten years that the present level of duties should not be lowered. Government are considering that question and while they cannot commit future Governments to the level at which any particular tariff can be kept up, I personally think that they may not find it very difficult to suggest that they have no intention themselves of lowering the present rates of duty. That is one help which may be immediately available to encourage the starting of this industry.

Then, the question of giving a rebate on all those parts which are imported into this country for the manufacture of these automobiles has also been put before Government. Here we are under two difficulties. As Honourable Members are aware, there are certain plants called assembly plants—fairly extensive. I have myself visited some of them to find out at first hand how they work and what kind of machinery and parts they import. If parts are to be given a rebate, well, every such assembly plant will have the benefit of that rebate. But, apart from that, if the Government are to give a rebate on any parts that are to be imported, they must satisfy themselves that what is really intended is the manufacture of automobiles and not a repetition of that which is going on in the country, the starting of a mere assembly plant. I am certain Honourable Members will agree with me that there is no case made out at all for an automobile industry in name, but an assembly plant in practice, to get any kind of assistance from the Government. For one reason, there are now three different assembly plants in India, all of them run by powerful organizations, with no assistance from Government and requiring no assistance from the Government, doing their work efficiently and at the present time help-

I P. M. ing the Government a great deal in producing those cars that are required for the army, building all their bodies and doing this assembly work. Therefore one has to scrutinize very carefully the second demand, so as to see that that demand is not really for helping an assembly plant but for helping the manufacture of automobiles. It is in this connection that certain correspondence has been proceeding between the Commerce Department and the persons.

promoting this industry and I have not yet seen the end of that correspondence, not because interminable questions are being put by the Commerce Department, believe me, but because proper replies have to be forthcoming from the parties to whom those questions have been addressed by the Government of India. We want to know what parts are to be imported, what is the scheme according to which manufacture will be undertaken ; what parts will be manufactured in this country from year to year ? We recognize that all the parts required for an automobile cannot be manufactured at once. It must be a progressive building up of the motor car industry. But we must satisfy ourselves what the programme is, at what stage the manufacture of essential parts will begin, what is the ratio of the parts manufactured to the parts that are imported, and how far we can truthfully say that an automobile manufacturing industry is being organized and will be proceeded with in India. That has been the difficulty in coming to immediate conclusions on this subject.

Then, Sir, the third request was put forward that the Army should purchase a number of cars and trucks for its own purposes. At the present time the figures that have been given out by the Defence Department of the possible purchases that they have to make have only wetted the interests and the curiosity of those who want these cars to be purchased, but I believe that my Honourable friend Pandit Kunzru himself saw the difficulty in the way of accepting this suggestion. It is not for me to sit in judgment on those who are responsible for purchasing cars for the army. They know best what type of cars are required ; they know best what type of cars can be used ; they know best what at this particular time and in this emergency they could take on in the way of new cars with reference to the working of which their staff have special knowledge. They know also their difficulties about spare parts, the difficulty of having these spare parts stocked from the base line right up to the front—they know best how far they can go into the purchase of new models and new cars. I believe my Honourable friend Pandit Kunzru has seen something of the difficulty that faces them. As I said, it is not for me to judge how far those difficulties cannot be overcome. It is possible that within a short period they may be able to overcome some of those difficulties. It is possible that when they have judged these cars under the conditions under which they have to be used in this country for military purposes, they may come to the conclusion that they can purchase some of these cars. An attempt in this direction has not yet been made because I understand the model has not yet arrived which could be tested in the North West Frontier and other places where these cars have to be used. Under these circumstances it is not possible for the Government of India to give a guarantee as regards the number of cars that might have to be purchased. All that I can say is that there is no desire on the part of the Government at all to impede the progress of this industry or to do anything which will stultify the objects which the promoters have got. But we have to look into these matters rather cautiously and carefully. An individual or even a company can take risks certainly, but when we are asked to give these guarantees, and particularly when we are asked to give a guarantee that a certain rate of interest on a certain amount of capital to be floated should be given, we have to look into these circumstances a little more closely. I do not want to refer to documents which have been received by us in confidence, and therefore it is not possible for me to go into the merits of the agreement arrived at between the promoters and the Chrysler Corporation. Honourable Members have referred to it, but I venture to think that not one of them knows what the terms of that agreement are. It will be for the shareholders to judge of the terms of the agreement, and to come forward to invest in such shares. You must give them the opportunity of judging for themselves

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[Sir Ramaswami Mudaliar.]

the merits of those terms and not to be induced merely by prospect of guaranteed interest to invest in them. Therefore, any question of a guarantee of interest on the shares is further complicated by the consideration that we have no idea what sort of response will be forthcoming from the shareholders as a result of the judgment that they come to on the merits of the agreement. I say nothing more on that. But if this idea of guaranteed interest is based purely on the fact that during the war period and for war necessities this factory should be established, then I am bound to a great extent by the judgment of the military authorities. That judgment may not be final at this stage because they have not yet experimented on the type of car which the promoters have in view for production.

These are the facts with reference to the automobile industry. I have mentioned them very shortly but I can tell you that in the Commerce Department the history is at least as large as the history that has been built up in the newspapers of this country and in pamphlets over this question. I suggest therefore to my Honourable friend that, having heard what the Honourable Mr. Dow had to say with reference to aircraft and having heard what I have had to say with reference to automobiles, he may consider the desirability of accepting the suggestion that the Resolution may be a recommendation to the Government that they may take immediately such steps as will lead to the construction of aircraft and automobiles in India at the earliest possible date. The Resolution would then run :

" This Council recommends to the Governor General in Council to take immediately such steps as will lead to the construction of aircraft and automobiles in India at the earliest possible date. "

THE HONOURABLE MR. SHANTIDAS ASKURAN : I would like to know whether you mean we should make all parts here or whether we can also import ?

THE HONOURABLE SIR RAMASWAMI MUDALIAR : My speech must be my commentary on that.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will you allow me, Sir, to make a suggestion ? Instead of the word " lead ", in the Honourable Member's amendment, the word " result " be substituted.

THE HONOURABLE THE PRESIDENT : I should like to explain that at this stage there will be some difficulty in my allowing this Resolution which has been dictated by the Honourable the Commerce Member to be accepted by the Honourable Pandit Hirday Nath Kunzru. It can only be accepted as a substitute Resolution.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : He wants me to accept it so that my Resolution might be amended in the way suggested by him and then to be put forward as my own Resolution.

THE HONOURABLE THE PRESIDENT : You cannot amend it in that way.

THE HONOURABLE MR. HOSSAIN IMAM : The Honourable Member may withdraw his own Resolution and then move this Resolution.

THE HONOURABLE THE PRESIDENT: You withdraw your own Resolution and accept it as a substitute.

***THE HONOURABLE PANDIT HIRDAY NATH KUNZRU:** Sir, I accept the wording suggested by the Honourable the Commerce Member. My Resolution will therefore assume the following form :

“ This Council recommends to the Governor General in Council to take immediately such steps as will lead to the construction of aircraft and automobiles in India at the earliest possible date.”

This is of course the object which I have in view. I do not know what meaning the Government read into my Resolution, but I can say for myself that I was not at all suffering from the delusion that the construction of motor cars and aeroplanes in India would be undertaken immediately. It is obvious that there will be a little time required for getting the necessary plant for setting up the factories required. I therefore accept this suggestion and move my Resolution in the new form it has assumed because of the acceptance of the suggestion. In view of this it is not necessary for me to make any remarks, but I do hope that the spokesmen of the Government who have dwelt on some of the difficulties that confront us will take a sympathetic view of our needs. Difficulties there are and will always be in the establishment of any new enterprise, but these difficulties must be overcome at a time like this and I venture to think that not even the difficulties of England, not even her requirements at the present time should completely prevent her from extending to us the helping hand that she has already extended to Australia and Canada. If, in spite of the war and the requirements for her own safety she has thought it desirable, nay, necessary, to enable Australia and Canada both to become self-supporting and to produce aircraft for her own needs it is up to her to show, by following the same policy towards India that she is prepared to treat India already as a dominion. The needs of India have been disregarded. Is it conceivable that any dominion would have allowed the requirements for its own defence to come after the requirements of England? We know the difference of view that there are between the Australian Government and the Opposition on this question. The Opposition lay stress on the Government first to defend Australia. In the case of India I believe that any help that England may give will actually be far more useful to it than the help that it has given to Australia and Canada. India is naturally more a base for the supply both of material and officers and men than any other part of the Empire. I wish to lay stress therefore on the right of India to ask His Majesty's Government not to subordinate the requirements of this country completely to her own requirements even at this stage.

THE HONOURABLE THE PRESIDENT: Original Resolution withdrawn and a substitute Resolution moved :

“ This Council recommends to the Governor-General in Council to take immediately such steps as will lead to the construction of aircraft and automobiles in India at the earliest possible date.”

Question put and Motion adopted.

The Council then adjourned for Lunch till a Quarter to Three of the Clock.

*Not corrected by the Honourable Member.

The Council re-assembled after Lunch at a Quarter to Three of the Clock, the Honourable the President in the Chair.

RESOLUTION *RE* PRIVATE VOLUNTEER ORGANIZATIONS.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, the Resolution that stands in my name runs thus :

" This Council recommends to the Governor General in Council that the ban imposed on private volunteer organizations by the Government of India be withdrawn immediately."

Sir, the Government of India by passing general orders under rules 58 and 59 of the Defence of India Rules have banned all private volunteer organizations in India, thereby interfering with their normal activities. According to the order, the Central Government have prohibited the performance within British India of any exercise, movement, evolution or drill of a military nature with or without arms or articles capable of being used as arms. Then, under rule 59, Sir, they have prohibited the wearing of a dress which is similar to that worn by a member of His Majesty's forces or by a member of any official police force or of any force constituted under any law for the time being in force which they think is likely to prejudice the public safety, the maintenance of public order and the defence of British India.

So their case is, Sir, that, if these private volunteer organizations are allowed to continue their normal activities, there is a danger of the public peace being threatened and that therefore they thought it necessary to issue these general orders under the Defence of India Rules. My submission is, that the imposition of a wholesale order on all private volunteer organizations without regard to their merits has created irritation and evoked protest from those organizations and I believe the protest is just. I submit I fully agree with the Government of India that, if public safety is threatened or if any private volunteer organization interferes with law and order, action has to be taken against that organization, but to impose a ban of a sweeping nature on all volunteer organizations in India who are doing very useful social and cultural service to the community is a thing which must be resented by everyone who is interested in the national solidarity of India as a whole. Sir, they have passed three unjust orders—I say unjust because when they fear that there is a serious danger owing to the activities of these organizations I think they assume things for which there is no reason whatsoever. As I said just now, Sir, if any political or volunteer organization has threatened public peace, the Government can take action against that organization by issuing a general or a special order so far as that particular organization is concerned. But if they want to stop all private volunteer organizations, saying that they expect danger from the existence of these organizations, I think, Sir, they fail in their duty of not only not encouraging private volunteer organizations which are doing good social and cultural work but they stifle the enthusiasm of young boys who want to take part in the defence of their country by entering the newly-formed Civic Guards or the Indian Territorial Force or by entering the expanded army of the Government. This ban, Sir, according to the Government of India in the communique issued by them, is to affect about 200 private volunteer organizations and according to their own estimate the membership of these 200 private volunteer organizations is nearly two lakhs. I can cite the instances of two important volunteer organizations in my Province which have been effected by this ban. Sir, there is an organization in Berar by name Shri Hanuman Vyayam Prasarak Mandal, which caters to the needs of the young men, trains them in physical activity as well as gives them intellectual training, and also sends students to foreign

countries to learn and undergo training in different systems of physical culture. It also deputed men to foreign countries to propagate the cause of India's national games and exercises and it also prepares boys for entering the Indian Defence Force or for going to Dehra Dun or for obtaining emergency commissions. The organization is not wedded to any political body and is not communal in character. The organization has been praised by the various Government officials in my Province of which I will read only a certificate given to the organization by an ex-Governor of my Province. This is what the Private Secretary to Sir Montagu Butler, Governor of the Central Provinces and Berar, said :

" His Excellency thought the institution worthy of all praise and was glad to make a donation to its funds. He was much pleased to see so many young men hard at work improving their physique and keeping themselves fit ".

Sir Francis Wylie, ex-Governor of the Central Provinces and Berar, said :

" I visited the Hanuman Vyayam Prasarak Mandal during my recent visit to Amraoti and was very much impressed with all I saw there. The whole organization of the place is on a voluntary basis and the precision with which the boys and girls carry out the various—some of them complicated—exercises is a great credit to their honor ary instructors. Nowadays when so much emphasis is being laid in almost every country in the world on the need for physical fitness among the young, I consider that the Hanuman Vyayam Prasarak Mandal is carrying on a work which deserves every encouragement ".

My object in reading these extracts is to show to the House that this organization has been praised and its work has been appreciated not only by non-officials but by the highest officials in the Province.

Sir, there is another organization in my Province which has been affected by this ban, and that is the Rashtriya Swanyasevak Sangh. This institution has got about 500 branches throughout the whole of India and its membership is about a lakh. The object of the institution is to provide a non-political platform for all Hindus, from a child of five years to adults and old men of all castes and creeds and to promote feelings of equality and brotherhood amongst them. They want to create feelings of cultural and religious affinity between all classes of Hindus and create feelings of toleration for other religions and cultures. They are not wedded to any political body. They are non-political in character and their object is to promote unity amongst all classes and creeds in this country. They impart physical training so as to equip its members for discharging the onerous duties of bearing the civic responsibilities of a true citizen. The institution is purely a social and cultural organization and its programmes are also shaped in consonance with this object. They have got their branches throughout the whole of India, and in the programmes of their branches, men of status, leading citizens belonging to various political parties, take an active interest and have been giving encouragement to this institution in their activities.

Sir, the Government of India themselves admit that there are certain organizations, which are doing useful social work, but they say these are exceptional cases. They say that in certain exceptional cases, volunteer organizations are maintained for useful and innocent purposes especially in connection with the education of the young. I do not understand how they say that the vast majority of volunteer organizations do not exist for a useful purpose and therefore they were constrained to issue this ban. Sir, unless and until the Government of India are in possession of facts which clearly prove that all private volunteer organizations throughout the whole of India are threatening the public peace or interfering with law and order, they ought not to have issued this ban which is of a very sweeping nature. It is a well known fact that the Government have not taken a keen interest up till now in training the youths of the country for taking their proper share in the defence of their country.

[Mr. V. V. Kalikar.]

Spokesmen of the Government of India have told us so many times in this House that they were not getting proper and suitable candidates for officering the ranks of the Indian Army. We have been told so many times that if they get suitable candidates, they would make attempts to Indianize the officer rank of the Army. This particular organization, the Rashtriya Swanyasevak Sangh when it came to know about the statement made by Sir Philip Chetwode here, on the floor of this House, in 1933-34, that suitable candidates were not coming forward, began to train their boys in order to equip them for entering the Dehra Dun Military Academy. I am glad to state that many members from this organization did appear for the Dehra Dun Military Academy and some of them have now got emergency commissions and some have entered the Indian Territorial Force and the Civic Guards. Of course, Government will say that if this or the other organization to which I have referred in my speech are very useful organizations, the Provincial Governments have got power to exempt them from the ban imposed, under the general order. I may state, Sir, that the Provincial Government was very fair and just in dealing with these organizations. But, as the orders were issued by the Government of India and as these organizations have got branches throughout the whole of India, and not confined to one province, they could not do anything.

My Honourable friends from the United Provinces would be able to speak with authority, but, so far as my information goes, the Congress Seva Dal, United Provinces, was nipped in the bud by this ban. The Congress Seva Dal in the United Provinces was an organization which had as its creed non-violence, and their activities were merely confined to spinning and the use of *charkhas*. I do not know whether the Government apprehended any danger from spinning and the use of *charkhas*. From the reports in the press I find that they did not in any way interfere with the public safety and create trouble for the Provincial or the Central Government. I am at a loss to understand why these organizations, which are doing very useful social service, should be banned under the general orders of the Government of India, and the enthusiasm of the youth should thereby be stifled.

Sir, I hope the Government of India will consider the position of the various organizations in India and will withdraw the ban that has been imposed, and take action only against those particular organizations which have in the past threatened the public peace or which are likely to do so in the future.

With these words, Sir, I commend my Resolution for the acceptance of the House.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, the Honourable Mr. Kalikar has put his case with extreme moderation. He appreciates just as much as the Honourable the Home Secretary the difficulties of Government in war time and it is not his object to embarrass them or to encourage lawless activities. What he has emphasized is that the orders passed by Government are of too sweeping a character. What he says is, "Do not have a general rule. If you find an organization indulging in violent activities, if you find an organization indulging in unlawful activities, then deal with that organization individually and proclaim it as an unlawful association". If you have a general rule then

3-5 P. M. that general rule hits organizations which are doing useful social and religious activity, and social, religious or economic work ought not to be put down even in war time. After all it is a

democracy which is fighting totalitarian States, and such a democracy must not become a totalitarian State itself. Democracy must fight totalitarianism with clean hands. I do not say that restrictions in war time on individual liberty or on liberty of association are not at times inevitable. That is not my proposition. But there is a reasonable method of doing things and there is an unreasonable method of doing things, and I hope the Government of India have no desire to be unreasonable. But the effect of this proclamation is that it has hit not only the organizations which were engaged in unlawful activity, but also the organizations which were engaged in useful social work. The drilling and wearing of military uniform is not necessarily wrong. I know there was a Bill passed in Parliament some years ago, but conditions in England are different. Here we need our young men to have some physical training and to become militarily-minded, and there are social and educational organizations which have been doing useful work in this direction and their efforts should not be hampered. That is the main object of this Resolution and I think that, having regard to the moderate nature of the speech of the Honourable Mover and having regard to the very reasonable request embodied in this Resolution, the Government will see its way to accept this Resolution.

THE HONOURABLE SIR A. P. PATRO (Nominated Non-Official): Sir, I concede that the Honourable Mover of the Resolution has spoken very moderately. He said in cases where there are dangerous institutions you can deal with them individually and separately; but he forgot that prevention is better than cure. There are organizations all over India with a military uniform, then dummy weapons are used. They drill and go about with a military band in villages and towns proclaiming that they are the army of the people to defend them. Such organizations necessarily must be prohibited. The notification issued on the subject says that the Central Government would prohibit the performance within British India of any exercise, movement, evolution or drill of a military nature, with or without arms or articles capable of being used as arms; and then certain exceptions are provided for. Then, in exercise of the powers of the Defence of India Rules the Central Government would prohibit the wearing in public of any such dress by any person who is not a member of the said Forces of His Majesty or a member of an association which has been authorized by the Central Government as respects the whole of British India or the Provincial Government as respects the province, to wear a specified uniform. The Provincial Governments were delegated with powers of exemption. Thus it can be seen that the prohibition is not against all persons and all associations or organizations, only such associations which use military drill and pose as part of the military forces of the country. The fact is there were these organizations wearing a military uniform, with badges and buttons and equipped with swords, etc. What impression will be created upon ignorant people seeing such bands marching about in the villages and towns? The impression is very different from what the Honourable Member has just now said, namely, that they are intended to carry on cultural discipline and to create unity among different people, the Hindus, and I suppose, also Muhammadans. But if that is the object, why all this paraphernalia, of military dress and drill and a military band parading the streets of town and in the villages? The object therefore is not as innocent and as laudable as the Honourable Mover of the Resolution has made out. That may be the intention sometimes, but in practice that is not the effect. They tend towards a very dangerous delusion in that they are part of a national army. That is the real object of these organizations. We have organizations like the Seva Dal, the U. T. Cs. and the Territorial Forces. All these young men can enter if they have a military bent. For the rest, men in ordinary

[Sir A. P. Patro.]

dhotis and *kurtas* can render more effectively all the social service they wish to. Why then this imitation and adoption of military forms, which might lead naturally to dangerous consequences. Therefore Government is justified in suppressing all such indications of incipient national army organizations. I do not mean only the present bureaucratic Government. Any Government would be justified, even the Government of my friend C. Rajagopalachariar who as Premier issued similar orders in the case of a movement in Southern India. When volunteer organizations were formed on a military basis he rightly prohibited them.

THE HONOURABLE MR. HOSSAIN IMAM : He did right for once !

THE HONOURABLE SIR A. P. PATRO : I agree. In his political life as a Minister this is only one right step taken by him. He prohibited that movement because he, equally with every reasonable citizen, believed that such a thing ought not to be encouraged or permitted because it is contagious. If the Hindu community starts a particular volunteer organization there is a danger of several other castes and communities taking it up in that way, and the whole country will adopt this organization, which will ultimately lead to unrest. It is therefore necessary that this should be prevented instead of allowing these organizations to grow to endanger the peace and tranquillity of the country, instead of allowing these young men to parade themselves and stating these are the soldiers of the country, the soldiers of the nation undisciplined and untrained by any qualified person, instead of allowing these youngsters to pose that they would defend the country when the danger arises, undisciplined as they are to allow them to be in that condition. Therefore, it seems to me, it is necessary that these organizations should be nipped in the bud. These young men could join some Boy Scout organization, which was a very useful organization, and very useful work could be done as boy scouts. In the case of the U.T.C., they could enter into these organizations from colleges. These organizations are of the most sinister in their aims, with their military uniforms, military drill and military band and the whole appearance of being soldiers undisciplined, untrained and uncontrolled people.

THE HONOURABLE LT.-COL. SIR HISSAMUDDIN BAHADUR : Disguised soldiers !

THE HONOURABLE SIR A. P. PATRO : My Honourable friend says "disguised soldiers". These young men if left to themselves without any control or check will lead to very extreme consequences. It is not too late and the Government have issued this notification and said :

"within any Province by members in their capacity as such of any organization specified in an order in writing by the Provincial Government of that province".

Sufficient margin has been left in this notification to cover the cases which my friend referred to. In such cases an exception has been provided. There is absolutely no danger in their case. The other organizations have an indirect object of becoming really the people's or national army. I therefore do not sympathise with the Resolution, I have said exceptions were provided as has been done in the Order.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution. The Honourable Member who moved the Resolution has distinctly stated that he does not desire

that exemption should be given to those organizations which have political motives behind or whose activities have resulted in the breach of the peace and order. As far as the Punjab is concerned I might mention that the Mahavir Dal has been in existence for the last so many years and in the Kurukshetra *mela* and several other social or religious functions irrespective of community or creed they have rendered yeoman service, and high officers of the Punjab have given them high testimonials on various occasions recognizing their services. My friend Sir A. P. Patro has observed that irrespective of their having proved useful organizations rendering public service, he wants to ban such organizations which have done well in the past, which have been in existence for a good many years. Those organizations have proved quite worthy and therefore this ban ought not to apply to them. As far as the United Provinces are concerned the Hindustan Scouts Association, of which we have branches in the Punjab, also were the victim of this ban for some time. I am one of those who always advocate that there should be no breach of the peace and we should help the authorities in the preservation of law and order. Those institutions which have done well in the past and for so many years proved their worth ought not to be banned. As the Honourable Mover has clearly stated his object in moving his Resolution I give my strong support and I hope that Government will also accept the Resolution.

THE HONOURABLE SIR MUHAMMAD YAQUB (Nominated Non-Official) : Mr. President, on reading the notification just now I find that the Honourable Mover of the Resolution has got no cause for complaint. His only complaint is that in this country there are certain peaceful organizations which want to create unity between the communities and they come within the purview of the notification issued by the Government ; but if he will read sub-section 3 of the notification issued by the Government of India he will find :

"Within any Province by members in their capacity as such of any organization specified in an order in writing by the Provincial Government of that Province".

So according to this sub-section Provincial Governments have got the power to exclude certain organizations from the purview of the notification, and if there are any such organizations as are described by my Honourable friend the Mover of the Resolution which have come under the provisions of the notification I think they can move the Provincial Governments and the Provincial Governments can exempt such organizations. Therefore my friend cannot have any complaint against the notification issued by the Government of India. Mr. President, I sympathise with the motive which has prompted the Honourable Mover of the Resolution, to move his Resolution. It is very well to say that there are certain peaceful and non-violent organizations and that there are certain organizations which have got non-violence as their creed, but the difficulty is, Mr. President, that nowadays we find that our politicians are dragging everything into the thick and thin of politics. We find our politicians drag the students and youth movements into the field of practical politics. They go to the colleges and schools, deliver inflammatory speeches asking young students to suspend their studies and take an active part in the political agitation going on in the country. Therefore, any organizations which are formed by the students are turned into political bodies and become a menace to the country. It is said that there are certain organizations which have got non-violence as their creed. Our experience however shows that those very devotees of non-violence have been the greatest aggressors and have committed great violence in the country. Was it not, Sir, these devotees of non-violence who enacted the tragedy of Chauri-Chaura as well as other places ? And, therefore, to say that those who have got non-violence as their creed, also practise that creed and when they are carrying on their work of non-violence.

[Sir Muhammad Yaqub.]

actually remain non-violent, is not true. More often than not, I have seen that these non-violent volunteers have become a menace to the country and a menace to the peaceful life of the people. Mr. President, it is no use hiding the fact that communal feelings are running very high in the country today. Every day, on the occasion of festivals and gatherings, we find that every now and then a spark of communal fire spreads and we have riots and breaches of the peace, and if private organizations of young men, wearing military uniforms, and practising military drill, are allowed to go on in the country uncontrolled, at such a serious time as the present one, when the war is going on, I think it would be a great danger for the country and Government would be failing in their duty if they did not take precautionary measures as they have done in issuing a notification like this.

Mr. President, democracy is always mentioned in making speeches. It is always said that because we have got a democratic Government in India, we ought not to do this and ought not to do that. But Mr. President, does democracy mean mobocracy? Does democracy mean that there should be no laws or that there should be no action taken in order to avoid chaos in the country? I think democracy is misused by our speakers very often. What are they doing themselves? Has not the Congress itself discarded democracy and become a totalitarian body by appointing Mr. Gandhi as its dictator and dispensing with its constitutional aspect? So how can you say that these people are working the democracy? There is no democracy in the world now and to use the word "democracy" is merely futile.

Sir, under the conditions in which we are living in the country—and we are living in very grave and serious conditions—and we do not know when a spark of fire from outside may come to India and set the country in a blaze, and on an occasion like this it is very right on the part of the Government to take this Precautionary measure. I am sorry I cannot support the Resolution moved by my Honourable friend.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, after listening to what Sir A. P. Patro had to say on this Resolution I felt the Government had committed a mistake in taking action under the Defence of India Rules. What Sir A. P. Patro implied was that it was a standing danger and it should be exterminated for all time; therefore the proper course for the Government would have been to bring forward legislation for that purpose rather than take action under the Defence of India Act which is a temporary measure. Others may say that it is a danger only for the duration of the war, but in the opinion of Sir A. P. Patro this is such an important matter that even if performed by C. Rajagopalachariar it can be a correct thing, although C. R. has never done anything right in his life, barring this.

Mr. President, the Resolution which the Honourable Mr. Kalikar has moved asks for a return to the normal. The provision before the war was that you allowed these volunteer organizations to exist as such and whenever there was any organization which was found to be defective or subservient, it was served with a notice or dealt with in other ways. But now you take a general action indiscriminately against all organizations. The only two organizations which are mentioned by name in the Gazette of India Extraordinary of the 5th August are the Boy Scouts Association in India and the Girl Guides Association. The Hindustan Scouts, of which the Honourable Pandit Kunzru is the head, has been specifically exempted afterwards.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I may correct this. It is not the Government of India that have exempted it. I had to apply to every Provincial Government under whose jurisdiction we had a branch of our association in order to get permission to carry on our association. The Government are very well acquainted, I have good reason to believe, with our activities, but they did not have the fairness to exempt us in the same way as they exempted the Scouts Association in which they are interested.

THE HONOURABLE MR. HOSSAIN IMAM : Then I have given them credit for action in which I find they have been as negative as before ; and it is the Provincial Governments who should receive the credit for having exempted the Association.

THE HONOURABLE SIR A. P. PATRO : The notification allows Provincial Governments to do so.

THE HONOURABLE MR. HOSSAIN IMAM : Yes, Sir, but by name it exempted only two associations. Now, the question is why should these two associations alone be exempted and the sister association, which was formed on the same basis and which was really a part of the same organization but which has seceded, not be mentioned by name ; so that Pandit Kunzru had to apply to eleven Provinces and perhaps to the Chief Commissioners as well.

Now, Sir, the question is whether activity of this nature is one to be condemned and finished or is it to be encouraged ? The general complaint has been that India is not military-minded, that we have got martial classes and non-martial classes—the distinction even exists of listed classes for even in the martial classes there is an internal exclusive circle of the listed classes. You might belong to a martial class but if you are not included in the listed classes you are ineligible for the army. And always it has been stated to us that we are not military-minded. Now, how are you going to make us military-minded ? Simply by preaching or by giving us some form of drill and action so that we may also get into the habit of becoming military-minded. I cannot understand the reason why the Government was so anxious to get off all the uniforms which these volunteer organizations put on.

THE HONOURABLE LT.-COL. SIR HISSAMUDDIN BAHADUR : There is the U. T. C.

THE HONOURABLE MR. HOSSAIN IMAM : The U.T.C. is a closed preserve so far as the general public is concerned ; I expect the Colonel knows better, it is only open to University students and at the University centres.

Mr. President, I was saying that the ban on uniforms even if it were to be imposed should have been of a different nature. It should have prohibited any imitation of the actual uniforms worn by the armies. That would have been understandable. But to ban all military types of uniform is, I think, going rather too far. "Any dress resembling a uniform"—that is the expression. Why not be just as you have got in the Trade Marks Act—if you copy a trade mark, you are liable for damages. It does not mean that you cannot have any trade mark at all. Here they say, "You have no trade mark at all". No uniform can be had. That is rather going too far. When there is any Government notification or law passed by the Government, I feel, Sir, that it does not distinguish between Hindus and Muslims. It falls alike, be it the income-tax or any other tax. It does not concern itself whether a man is a Muhammadan or a Hindu. All organizations are banned. The instances

[Mr. Hossain Imam.]

given are about Hindu organizations. I do not wish to give any instances. I wish to approach the Government on the basic principle whether volunteer organizations should be encouraged or should be discouraged, especially during a time of war. I take it, Sir, that Government are not going as far as Sir A. P. Patro would wish them to go? At the moment we are in the midst of the war and Civic Guards are being formed. Pointedly it has been said to me by a friend of mine on my left that there are Civic Guards. Perhaps it is not well known to the House how small it is and in how few places it has been started. It cannot cater for the 36 crores of the people and the restrictions in the admission to the Civic Guards in places where it has been started are also such that it does not allow many people to come in. With regard to these volunteer organizations as I do not hold any brief for them; I am not going to say that all these organizations were correct and Government were wrong in banning them. There might be organizations—I do not deny it—which ought to be, and have been, correctly banned. But that should be by individual action by the Provinces, banning organizations giving specific reasons for the banning, and saying it will remain banned for such-and-such time. Whereas the Government of India, by a sweeping action, has banned all the organizations, whether good, bad or indifferent. I think it is rather too high-handed and Government should modify their action, if they cannot take it back.

Sir, I support the Resolution.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary): Sir, in the fairly general chorus of approval with which the Government's notification was received, I have noticed a tendency to limit the approval to the extent that the order in question was believed to be aimed at an organization which was different from the one to which the speaker or writer himself belonged. It is not uncommon for people to believe in the merit of a law so long as it is applied against somebody else and that observation, I think with all respect, is relevant to the arguments of the Honourable Mover of this Resolution. I would like however to acknowledge the obvious sincerity of his intentions, and I feel confident that he is himself convinced of the real usefulness of the organizations which he is championing. But I would remind him that champions of other organizations which may be affected by Governments' order are likely to take a similar line. I might also,—if I may make a general and rather platitudinous observation,—say that all laws affect both the good and the bad. They affect those who are law-abiding and those who are inclined to contravene the laws. In other words, laws are apt to be irksome even to the former. When I come to deal with the actual terms of the Resolution I think I can show that the Resolution itself is really based on a misconception and that if the Honourable Member had studied the Government notification somewhat more closely, he would have realized that it is not open to the interpretation which he has put upon it.

I would like, first of all, to say something generally about Government's policy in this regard. I notice that the Honourable Mr. Hossain Imam, in spite of the fact that the contents of the order had just been read out by another Honourable Member, still referred to the ban on private organizations and then went on to talk about the desirability of allowing these organizations to exist. I would like to ask the Honourable Member whether he is in fact inviting Government to permit the existence of private armies? His argument, if I understood it rightly, was that because the U.T.C. is limited in numbers and because it is not possible to train all the youth of India in the use of arms, therefore, private armies should be allowed. If that was his

line. I would suggest that he is following a very dangerous line. The attitude of Government, as I said to start with, towards these private armies has I think, met with general approval. But in case any doubt exists, I would like to read the House a sentence from the *Harijan* from an issue of last April. That sentence reads as follows :

"No Government can allow private military organizations to function without endangering the public peace".

That is exactly Government's view and it was because of the danger inherent in the existence of these organizations which tend to become private armies that it was necessary to issue the order under the Defence of India Rules.

I come now to the actual terms of the Resolution. They are, as I have indicated already, based on a misconception. The Government order under the Defence of India Rules does not ban any organization. What it does is this. It prohibits certain military movements and drilling with or without arms and the wearing of certain types of uniform. There has, in fact, been no interference—and no interference was intended—with the free right of association for harmless and legitimate purposes. The whole case which the Honourable Member has attempted to build up is really vitiated by the assumption in his Resolution that Government are banning all organizations irrespective of their activities. That is not the case. The activities which are prohibited are, as I have explained, military drilling and the wearing of military uniforms; in other words, imitations of military methods, and in fact, the practices which the Honourable Mr. Hossain Iman would, I understand, encourage. Military methods as practised by the Army and the Police are designed for a particular object, namely, the use or display of disciplined force, and those who seek to adopt similar methods must raise a presumption that they have got similar objects in view. No organization which is formed for legitimate and harmless objects has any reason to fear the operation of the Government order. If their object is beneficial activity then they can claim that the order does not apply to them. That really is the answer to the point made by the Honourable the Mover of this Resolution. He has quoted the tributes paid by His Excellency the Governor to certain organizations in his Province and those tributes are evidence that some of the activities anyhow of those particular organizations are beneficent and therefore do not come within the scope of the order. I think we may fairly presume that the sympathetic attitude of the Provincial Government to which he has also referred will continue, and in so far as the activities of the associations which the Honourable Mover has mentioned are legitimate and harmless the Provincial Government will continue to be sympathetic.

I must make it clear that it would not be possible for Government to accept this Resolution as it stands. It is as I have said largely based on a misconception, and in so far as it asks Government to revise their policy I think there will be general agreement that such a suggestion is unacceptable.

There are one or two minor criticisms which I would like to meet. One is that only two organizations were exempted by the Government of India and the rest were left to the discretion of Provincial Governments. It was quite impossible for the Government of India to put all the organizations that might merit exemption into their own order, and the fact that Provincial Governments have immediately responded to the request of my Honourable friend Pandit Kunzru to exempt under the power given them the Hindustan Scouts Association is I think clear evidence that Provincial Governments are working the order with sympathy and understanding.

I think, Sir, that is all I have to say on this Resolution. I would like in closing to recognize once more the sincere intentions of the Mover. I

[Mr. E. Conran-Smith.]

know that he feels very strongly about certain particular organizations, but I would ask him to go away and think the matter over in the light of what I have said and to believe me when I tell him that Government has no wish to penalize or thwart the legitimate activities of such bodies. Some remarks were made about the Civic Guard. Government hoped that the opportunity given by the Civic Guard would help to meet the urge to wear uniform and more particularly the urge to help India in this time of international stress and trouble; and although some disparaging remarks have been made about the numbers, enlisted, I believe that the Civic Guard, as His Excellency the Viceroy told Honourable Members the other day, is going ahead and is rendering very useful service, and that it is a means by which this urge to do something to help can be canalized into useful channels.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Mr. President, the speech of the Home Secretary showed that he did less than justice to my Honourable friend the Mover of the Resolution. I do not think Mr. Kalikar at all made the mistake of supposing that the notifications issued by the Government of India made it impossible for any volunteer organization as such to function. He was aware equally with the Home Secretary that the Government of India had not banned any association. It had only prescribed the conditions under which no association should be allowed to function.

THE HONOURABLE MR. E. CONRAN-SMITH : Then I take it the Resolution is not correctly worded? It implies that a ban was imposed on private organizations.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I will just deal with it. I was saying that the Government of India only prescribed the conditions under which no association should be allowed to function but left it to the Provincial Governments to determine whether those conditions were satisfied or not. The complaint of Mr. Kalikar is not that the Government of India have dealt with the associations that constitute a threat to the maintenance of the public peace; his complaint is that the notifications are too wide in their scope. This is all that he has submitted. He has put forward no plea on behalf of any association engaged, or attempting to engage, in unlawful activities. The speech delivered by the Home Secretary and the speeches delivered by the two nominated non-official Members show not merely a misunderstanding of the position of the Mover but also complete want of acquaintance with the bodies engaged in purely social work. It has been said that if there was no desire on the part of these bodies to imitate military movements and thus to mislead the public, there was no reason why they should wear a dress resembling the military dress or should permit any movements which might be taken to be of a military character. I should like my Honourable friends and particularly the Home Secretary to realize what the position is. Take a body which has to carry on work say at big *melas*, as a body with which I am connected has to do. The body which I have particularly in mind is the All-India Seva Samiti. Now, if it has to carry on its work it is obvious that it must have a certain number of volunteers to discharge the duties that must be performed on such occasions. Now, are these volunteers to be brought into some kind of order or are they to function as a rabble? If they are to be an orderly body, what is the training that is to be given? It is obvious that they must be divided into sections, that each

section must have an officer of its own and that it must be drilled in order to introduce the minimum uniformity that any body of volunteers must have. How are they to carry on their duties unless these minimum activities are allowed, but in order to carry them out the association concerned would have to get the permission of the Provincial Government. If I may so put it these bodies will function under a kind of martial law. No association knows what its position is and it depends entirely on the Provincial Government concerned whether it would allow the association to function or not. Without banning its activities it can reduce it to a position of impotence by simply not giving it the permission to work on special occasions. Now, I have mentioned an association of one character only, but the Home Secretary can easily imagine the need for discipline in all social service associations whose activities require the maintenance of a certain number of volunteers. These volunteers are not maintained in order to come into conflict with the police or the military. They are maintained for the performance of certain duties. They are maintained because without them the association concerned cannot properly function.

I have spoken so far of the movements of the volunteers. Let me say a word about their dress. One of the speakers objected to the khaki dress worn by the volunteers. Now, let us exercise a little imagination and think of the various coloured uniforms that the volunteers can wear—red, blue, green, yellow. Does he mean seriously that these volunteers should wear such coloured uniforms; they will look ridiculous if they do so. The khaki uniform is worn because it is sober and because it does not require constant washing. That is the reason why the khaki dress is so popular. The speech of Mr. Conran-Smith tended to show that the wearing of the khaki dress or making the volunteers go through a certain amount of drill would be sufficient in the mind of the Government of India to raise a suspicion that the volunteers concerned are trying to come in conflict with the authorities. I ask him whether such a position is fair? Is it necessary at the present time in the interests of the country that the Government of India should have issued such a sweeping notification of the kind to which Mr. Kalikar has drawn our attention? I felt when I read it that their sweep was unduly wide and that the Government of India had been able to issue it simply because it was not responsible to the people. When one considers the latitude given to the public in England, when one remembers the changes of policy that have had to be made by the Cabinet because of public dissatisfaction with those Ministers who took themselves a little too seriously one will have no doubt that the Government of India have unnecessarily tried to control the activities of bodies which are legitimately engaged in purely social work, and that they can do so only because their power cannot be constitutionally questioned.

THE HONOURABLE MR. V. V. KALIKAR: Sir, my Honourable friend Pandit Kunzru has met the case of the Government completely, I do not therefore think I need say more now. In the very beginning of my speech I think I have made it quite clear that I cannot appreciate the unlawful activities of those volunteer organizations and I made it quite clear that the Government would be perfectly right in taking any action against those volunteer organizations which have indulged in unlawful activities or which have come into conflict with the Government. I am quite clear in my mind about the implications of the Resolution. My Honourable friend the Home Secretary does not agree with the word "ban" but I may explain that I used that word "ban" in the sense in which it is ordinarily used. The Government have curtailed certain activities of certain volunteer organizations and

[Mr. V. V. Kalikar.]

therefore I state that they have banned the activities. My Honourable friend Pandit Kunzru has already told us just now about their dress and drill. Sir, it has been said by my Honourable friend the Home Secretary that "all laws affect good and bad"; but he must know that laws are made only for the offenders and the offenders are only to be punished and not those who follow the law. The Government must know—and Government fail in their duty if they do not know—who are the offenders and who are not offenders. My submission is that it is the duty of the Government to know which private volunteer organizations have acted against the law and I shall be one with them in taking action in imposing certain restrictions upon certain volunteer organizations which have come into conflict with the Government, and which have indulged in unlawful activities. But I cannot agree with the Honourable the Home Secretary that the Government of India having some imaginary fears without any reason should pass such orders of a sweeping nature.

THE HONOURABLE MR. E. CONRAN-SMITH: If you do not offend against the law, there is no reason to be afraid of the law.

THE HONOURABLE MR. V. V. KALIKAR: Certainly. Those orders which you have passed affect all the private volunteer organizations. You have not mentioned that these organizations are indulging in unlawful activities, or are offending against the law. You have made these orders for all. I may tell a certain story to the House—I am not habituated to tell stories to the House. About three hundred years ago there was a ruler in our Province who said if people made use of a particular type of clothes they would be punished. My Honourable friend Pandit Kunzru has already said about the necessity of wearing of khaki dress. It is not only one or two organizations but so many organizations who wear khaki dress, coat and pant. When this order appeared in the Government of India Gazette some friends of mine were ridiculing the order that they were barred now after the issue of this order to wear khaki coats and khaki pants

4-5 P.M.

because of the wording of the notification. They are not imitating the military authorities, they are not imitating the military drill, but in order to create discipline among them they are having those activities. Sir, I have nothing to say against my friend Sir A. P. Patro, because the Congress is always on his brains. I am very glad to learn that he could support the order of C. Rajagopalachariar the late Prime Minister of Madras. I have only to say in reply to his statement that the Provincial Government could exempt these organizations from the operation of these rules, but as these organizations have got branches throughout the whole of India, it is only the Government of India who can set the matter right. It is just possible that some of the Provincial Governments would exempt them and some would not. I wanted to attack the sweeping nature of the order and therefore I came to the Government of India. I am very sorry, Sir, that the Government of India do not see their way to accept this Resolution in these critical days. They ought to appreciate the activities of these organizations. They ought to encourage them but if they cannot encourage at least they ought to appreciate these activities and they ought not to stifle them. I therefore, Sir, move the Resolution.

THE HONOURABLE MR. HOSSAIN IMAM: May I ask for information, Sir, whether the wearing of khaki uniforms by the tramway people is banned or not?

THE HONOURABLE MR. E. CONRAN-SMITH : Sir, that question hardly needs an answer.

THE HONOURABLE THE PRESIDENT : Resolution moved :

"That this Council recommends to the Governor General in Council that the ban imposed on private volunteer organizations by the Government of India be withdrawn immediately."

Question put : the Council divided :

AYES—8.

Chettiyar, Hon. Mr. Chidambaram.
Hossain Imam, Hon. Mr. .
Kalikar, Hon. Mr. V. V.
Kunzru, Hon. Pandit Hirday Nath.

Mahtha, Hon. Rai Bahadur Sri Narain.
Ram Saran Das, Hon. Rai Bahadur Lala.
Sapru, Hon. Mr. P. N.
Sinha, Hon. Kumar Nripendra Narayan.

NOES—20.

Bajpai, Hon. Sir Girja Shankar.
Charanjit Singh, Hon. Raja.
Conran-Smith, Hon. Mr. E.
Dow, Hon. Mr. H.
Ghosal, Hon. Sir Josna.
Govindachari, Hon. Rao Bahadur K.
Haidar, Hon. Khan Bahadur Shams-ud-Din.
Hissamuddin Bahadur, Hon. Lt.-Col. Sir.
Jones, Hon. Mr. C. E.
Khurshid Ali Khan, Hon. Nawabzada.

Lal, Hon. Mr. Shavax A.
Lloyd, Hon. Sir Alan.
Menon, Hon. Sir Ramunni.
Muhammad Yakub, Hon. Sir.
Mukherjee, Hon. Sir Satya Charan.
Parker, Hon. Mr. R. H.
Patro, Hon. Sir A. P.
Richardson, Hon. Mr. J. H. S.
Roy, Hon. Mr. S. N.
Williams, Hon. Mr. A. deC.

The Motion was negatived.

STATEMENT OF BUSINESS.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House) : Sir, I regret that I was unavoidably detained this morning and unable to answer a question which was asked by Honourable Members as to when the Finance Bill which was laid on the table of the House would come up for discussion. I am in a position to state now that it is our intention to take up the Bill on Monday next, the 25th November, at 11 A.M.

The Council then adjourned till Eleven of the Clock on Friday, the 22nd November, 1940.