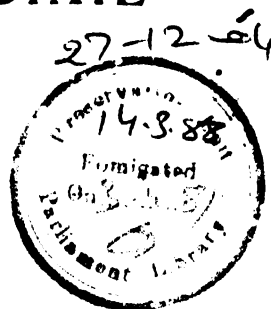


THE COUNCIL OF STATE DEBATES

VOLUME II, 1940

(19th November to 2nd December 1940)

EIGHTH SESSION OF THE FOURTH COUNCIL OF STATE



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COUNCIL OF STATE.

Tuesday, 26th 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.

QUESTIONS AND ANSWERS.

NUMBER OF CADETS ADMITTED ANNUALLY TO THE INDIAN MILITARY ACADEMY.

46. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What is the number of cadets admitted annually to the Indian Military Academy and what is its annual output at present?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): Before the war, the number of cadets admitted annually to the Indian Military Academy was 60 Indian Army cadets and 20 cadets for the Indian States Forces. The output for 1939 was 59 for the Indian Army and 12 for the Indian States Forces; that of 1940 was 116 for the Indian Army and 35 for the Indian States Forces. In addition 76 special entry candidates were commissioned after undergoing short courses at the Indian Military Academy during 1940.

NUMBER OF CADETS UNDER TRAINING AT THE INDIAN MILITARY ACADEMY, ETC.

47. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What is the number of cadets under training in the Indian Military Academy and in the Training Centre at Mhow, respectively?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): The number of cadets at present under training at the Indian Military Academy is 122 for the Indian Army, and 38 for the Indian States Forces. The number of cadets being trained at Mhow at present is 246 for the Indian Army and 20 for the Indian States Forces.

NUMBER OF RECRUITS ENLISTED IN THE INDIAN ARMY.

48. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What is the total number of recruits enlisted in the Indian Army in (a) India and (b) each province, since the war broke out?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): A statement is laid on the table.

Statement showing total numbers recruited from 1st September, 1939 to 30th September, 1940 by provinces.

Province.	Numbers.
North-West Frontier	5,506
United Provinces	12,227
Punjab	48,036
Rajputana and Central India	5,381

Statement showing total numbers recruited from 1st September 1939 to 30th September 1940 by provinces.

Province.	Numbers.
Delhi	406
Madras	9,898
Bombay	7,656
Bihar	710
Central Provinces and Berar	899
Bengal	113
Nepal	3,346
Hyderabad	7
Coorg	42
Assam	1
Sind	137
Baluchistan	8
Grand Total	<hr/> 94,228 <hr/>

NUMBER OF BRITISH OFFICERS IMPORTED FROM ENGLAND FOR THE INDIAN ARMY.

49. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Have British officers been imported from England since the 1st September, 1940 for appointment as officers in the Indian Army, excluding the I. M. S.? If so, how many ?

(b) Have any officers belonging to the Special Unemployed List who were retired in 1934 been recalled since the 1st September, 1940 ? If so, how many ?

(c) Have selected British warrant officers been appointed as commissioned officers in the Indian Army since the 1st September, 1940 ? If so, how many ?

(d) What are the other sources from which British officers have been obtained for the Indian Army, excluding the I. M. S., since the 1st September, 1940, and what is the number obtained from each source ?

(e) What is the total number of British officers appointed to the I. M. S. since the 1st September, 1940, and how many of them are retired officers of the I. M. S.?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief) : (a) Yes, 239.

(b) Officers of the Special Unemployed List did not retire. Three hundred and twenty-two have been recalled, in accordance with the terms on which they were placed on this List.

(c) Excluding promotions to departmental commissions, the number of warrant officers promoted to commissioned rank in the Indian Army is 34 of whom 14 were for service with the Auxiliary Force (India).

(d) Emergency commissions granted in India, of which the number up to the 1st of October was 1,041.

(e) Ten British officers have been appointed to the I.M.S. since 1st September, 1939 and 31 retired officers have been recalled.

NUMBER OF INDIANS GRANTED EMERGENCY COMMISSIONS IN THE I.M.S.

50. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) How many Indians have been granted emergency commissions in the I.M.S. since the 1st September, 1940 ?

(b) What is the number of non-statutory Indians and Anglo-Indians, respectively, who have been granted emergency commissions in the Indian Army, excluding the I. M. S., since the 1st September, 1940 ?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief) : (a) 419.

(b) Records are not available of the number of Anglo-Indians included in the earlier batches. Among those selected for emergency commissions by the last two boards, 10.9 per cent. were Anglo-Indians.

NUMBER OF INDIANS IN THE ARMY IN INDIA RESERVE OF OFFICERS CALLED UP.

51. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : How many Indian officers belonging to the A. I. R. O. have been called up since the 1st September, 1940 ? How many of them are Anglo-Indians ?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief) : One hundred and ninety-nine Indian officers belonging to the Army in India Reserve of Officers have been called up since September, 1939. None are Anglo-Indians.

It is possible that some Anglo-Indians who entered the European wing of the Army in India Reserve of Officers before the formation of the Indian wing may have been called up but the figures are not available.

MR. P. R. CRERAR, TECHNICAL OFFICER, SUPPLY DEPARTMENT.

52. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Will Government state the date on which Mr. P. R. Crerar, Technical Officer (Chemist), Supply Department, left Spain, the date of his arrival in India and the date of his appointment as Assistant Chemist P. S. O. C. (I.) Secretariat ?

(b) Was he offered the post of Assistant Chemist in the P. S. O. C. (I.) Secretariat, after he came to India or while he was in Spain ? What are the special qualifications for which he has been appointed Chemist in the Supply Department ? Is his salary Rs. 1,200 per mensem ?

THE HONOURABLE MR. H. DOW : (a) Mr. P. R. Crerar left Spain for England in December, 1938. He arrived in India on 23rd March, 1939, and took up the appointment of Civilian Technical Officer (Assistant Chemist) on the Secretariat of the Principal Supply Officers' Committee (India) on 27th March, 1939.

(b) The appointment was offered to Mr. Crerar while he was in England. His salary is Rs. 1,500 per mensem. The recital of his technical and practical qualifications is too long for me to give in answer to a question and I therefore lay a statement of them on the table of the House, merely saying that he has entirely justified his selection for the post which he now holds.

Statement of the qualifications of Mr. P. R. Crerar, B.Sc., A. I. C., Deputy Director, Chemicals Directorate in the Supply Department, as extracted from his application for appointment under the Government of India, dated 19th January, 1939.

Institutions at which the applicant was educated—

- (1) Bachelor of Science . . . Degree (London University) Chemistry honours, physics subsidiary 1925 internal. (Inter-B. Sc. Chemistry, Physics, pure mathematics applied mathematics).
- (2) A. I. C. Elected to . . . Associateship of Institute of Chemistry 1926, exempted examination after obtaining honours degree in Chemistry.

(3) *Subjects in which the applicant has specialised.*—Industrial Chemistry ; chemical and metallurgical engineering, together with sufficient knowledge of allied sciences and administration to be able to obtain a true economic perspective as opposed to purely technical outlook. Had gained considerable practical experience by working with a number of firms in England, on the continent and in India.

(4) *Nature and extent of practical experience.*—Prior to July, 1927 pupil with G. Nevill Huntly, fuel expert of Victoria Street, and Hornsey Gas Co., with object of specialising in fuel technology, carbonization of coal, water-gas production, ammonium sulphate production, coal tar distillation effluent disposal. July, 1927—March, 1929 Chief Chemist Cia. Anglo Espanola de Cemento Portland, Spain, where he was responsible for actual process operations and quality of cement produced. The plant produced 40,000 tons per annum. Resigned when Spanish Syndicate bought plant. September, 1929—March, 1933 Assistant Chemist Rio Tinto Co., in charge of special analytical and research section of large central laboratory mainly occupied with investigation work on recovery of elemental sulphur from smelter fumes, sulphuric acid manufacture from pyrites, flue dust Cottrell precipitation, impurities in copper, corrosion, purity of mine air, etc. Resigned during trade depression to take up position in India. April, 1933—November, 1936, after two months studying modern ideas in England proceeded to India as Chief Chemist and Chemical Engineer to Bundi Cement, Ltd. (130,000 tons per annum) and consultant for Punjab Cement, Ltd. (60,000 tons per annum). He was responsible for the actual process of manufacture, quality of product which had to comply with B. S. S. requirements, direction of research (which led to development of water proof cement stated by Government Test House, Alipore, to be better than imported British cements). Survey of quarries (as much as 60—90,000 tons of rock were blasted loose by electrical detonation at one time) and also carried out extensive tours in northern Indian plains, Himalaya foothills and to Sind Desert to examine possibilities for industrial development. February—April, 1937 research chemist to Messrs. Chance Bros., glass manufacturers of Birmingham, mainly to work on refractories and liquid glass flow in furnace. After a short while, he was offered another appointment with the Rio Tinto Co., after consultation with Messrs. Chance Bros. April, 1937—December, 1938, Assistant Superintendent of gold froth flotation concentrator, where with the chief, worked out practical operation of unique process of treating lowest grade gold proposition in the world. Staff 150 men, handling 1,100—1,200 tons per day by cyanidation activated charcoal absorption and froth flotation.

MR. S. S. VENKATAKRISHNAN, TECHNICAL ASSISTANT, SUPPLY DEPARTMENT.

53. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What are the qualifications of Mr. S. S. Venkatakrishnan, Assistant Technical Officer, Supply Department ? Is his salary Rs. 250 per mensem ; if so, why is there so great a difference between the salaries of the Technical Officer (Chemist) referred to in the previous question and the Assistant Technical Officer ?

THE HONOURABLE MR. H. DOW : Mr. Venkatakrishnan, who is now designated as Technical Assistant, is a B.Sc. (Engineering) of the Benares Hindu University. He served as an apprentice with the M. & S. M. R. and the Bombay Electric Supply and Tramways Co., Ltd., for about a year and had also one year's practical training in the Madras Electricity Department. His appointment in the Supply Department carries a pay of Rs. 250 per mensem in the first year and Rs. 275 per mensem thereafter. The Technical Officer (Chemist) who is now designated Deputy Director (Chemicals) has technical qualifications of an entirely different kind, and long practical experience, and the work on which he is engaged in the Department is of an entirely different

character, and of a far more responsible kind. Government, therefore, cannot see that the salary paid to this latter officer affords any criterion of the pay to be given to a junior officer working in an entirely different branch.

TECHNICAL SECRETARY, BOARD OF SCIENTIFIC AND INDUSTRIAL RESEARCH.

54. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What are the qualifications of the Technical Secretary of the Board of Scientific and Industrial Research and what is his salary? In which year and from which University did he take his doctorate? What was the last appointment held by him and what was the salary attached to it?

THE HONOURABLE SIR ALAN LLOYD: He is a D.Sc. and a Fellow of the Institute of Chemistry and the Institute of Physics, both of Great Britain. He took his doctorate degree from the Bombay University in 1936. He is employed on a salary of Rs. 700 per mensem in the scale of Rs. 700—50—1,000. Before joining his present appointment he was a Special Fellow in Nobel Institute, Stockholm, on 300 Crowns per mensem.

MAJOR J. E. FOSTER, M. G. O. BRANCH, A. H. Q.

55. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) What is the appointment held by Mr. J. E. Foster and what is his rank? Is he employed under the Defence Department? What are his emoluments including allowances?

(b) What are his academic and professional qualifications? What are the public examinations that he has passed?

(c) Was Mr. Foster in the employ of Messrs. Jessop & Co., and of Messrs. Martin & Co., at any time? If so, what was the nature of the appointments held by him?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): (a) Major J. E. Foster is employed in the office of the Master General of Ordnance, Army Headquarters, as Deputy Assistant Director of Mechanization on Rs. 1,430 per mensem.

(b) He has not passed any public examination nor does he possess a degree of any University, as his studies were interrupted by the Great War, 1914—1918. He has, however, an experience of 20 years as a ground engineer with various firms in the United Kingdom and in India.

(c) He was employed as a senior electrical and mechanical engineer with Messrs. Jessop & Co. and as a resident engineer of the Agra Electric Supply Company with Messrs. Martin & Co.

MANUFACTURE OF KHAKE DYE FROM POMEGRANATE EXTRACT.

56. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Has the attention of Government been drawn to the criticism in the columns of the *Hindustan Times* of the proposal to produce khaki dye from pomegranate extract? Will Government state the amount of khaki dye produced from this source so far? Is it better as a dye than mineral khaki? If not, why has research been started in this connection?

(b) Will Government state which of the substances required for the production of mineral khaki are either not being manufactured or not being manufactured in sufficient quantity?

THE HONOURABLE SIR ALAN LLOYD : (a) The answer to the first part of the question is in the negative. The remaining parts : One : Government have no information as to the amount produced. Two : Government are advised that it is not better as a dye than mineral khaki. Three : So as to be prepared against a possible shortage of mineral khaki dye.

(b) Bichromates are the principal ingredient in the manufacture of mineral khaki dye and at present sufficient quantities of bichromates are being manufactured or imported into India to cope with the demands for khaki dye.

SUPERIOR OFFICERS IN THE SECRETARIAT OF THE EASTERN GROUP CONFERENCE.

57. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : How many superior officers are there in the Secretariat of the Eastern Group Conference ? Have Indian officers been excluded from it ? If so, why ?

THE HONOURABLE MR. H. DOW : There are in all six superior officers working in the Secretariat of the Eastern Group Conference, from which Indian officers have not been excluded.

NUMBER OF INDIAN PILOTS UNDER TRAINING.

58. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What is the number of Indian pilots who are being trained by the Civil Aviation Directorate and the Air Force authorities in connection with the recent scheme for the expansion of the Indian Air Force ? How many of them are Anglo-Indians ?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief) : At the present moment 35 candidates are being trained at the various flying clubs by the Civil Aviation Directorate and 43 Indian pilots are being trained at Service Training Schools in India. None are Anglo-Indians.

MEASURES TAKEN TO PROTECT BOMBAY AND KARACHI FROM AIR ATTACK.

59. THE HONOURABLE MR. G. S. MOTILAL : (a) What measures have Government taken to protect the cities of Bombay and Karachi from apprehended air attack by enemy air force ?

(b) How many anti-aircraft guns, fighters, searchlights and other weapons of defence have been provided ?

(c) Whether any anti-airraid barrages and other new devices used in England are also kept ready for use in Bombay and Karachi ?

(d) What other measures do Government contemplate to adopt against possible air attacks ?

(e) Have Government provided any air raid shelters in the cities of Bombay and Karachi ? If so, how many and where ?

(f) Are Government aware that black-outs have led to a number of fatal accidents by motor cars and other vehicular traffic ? Do Government propose to adopt any remedial measures against such accidents ?

THE HONOURABLE MR. E. CONRAN-SMITH : (a), (b), (c) and (d). It is not in the public interest to answer these parts of the question.

(e) Public air raid shelters have not been provided in Karachi or Bombay.

(f) The Home Department have no information that black out restrictions have caused any increase in the number of fatal accidents. The suggested remedy is careful driving and care on the part of pedestrians.

BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL : Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the Bill to amend the Indian Sale of Goods Act, 1930, which was passed by the Legislative Assembly at its meeting held on Monday, the 25th November, 1940.

(The Honourable Rai Bahadur Lala Ram Saran Das and the Honourable Mr. P. N. Sapru were not present to move their Resolutions.)

THE HONOURABLE THE PRESIDENT : Honourable Mr. Dalal.

THE HONOURABLE MR. M. N. DALAL (Bombay : Non-Muhammadan) : Sir, I am not moving the Resolution.

RESOLUTION *RE* SUPPLY DEPARTMENT.

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 that immediate steps be taken to reorganize the Supply Department with a view to safeguard and promote Indian industries by—

- (a) the employment in important posts of an adequate number of Indians drawn from the services and from the business organizations ;
- (b) proper administrative control of the different sections of the Department ; and
- (c) the enforcement of the policy clearly laid down in regard to the development of Indian industries when the Indian Stores Department was constituted."

Sir, the House is well aware of the importance attached to the Supply Department by the people of this country. The interest taken by the Honourable Members themselves is further proof of the fact that it is realized both by the country at large and the Legislature that this Department which is of immediate importance in regard to the development of industries in this country is even of greater importance with regard to their future development. I shall, therefore, make no apology for dealing with questions concerning this Department today.

Sir, I shall deal first with the personnel of the Department as that is the first question that my Resolution raises. I put a question on this subject in March last. Since then I gather from a reply given by the Honourable Mr. Dow to a question of mine on the 19th November that the staff of the Department has been added to and there are 41 officers more now than there were on the 4th March last. Let us see on what lines the expansion of the Department has proceeded. One of the questions in connection with which the Department was criticized in March was the very inadequate employment of Indians in it. Let us see whether that complaint has been remedied. So far as the main Secretariat of the Department is concerned, there are certainly more Indians in the superior posts than there were in March last. There are two more Indian I.C.S. officers, I believe, in it and the Controller General

[Pandit Hirday Nath Kunzru.]

of Purchase is also an Indian, the previous Controller General of Purchase having been appointed to another post in the Department. In the Directorates General of the Department, however, that is, the Directorate General of Supply and the Directorate General of Munitions Production, the state of things is worse than it was in the Supply Department in March last.

Sir, I was rather surprised when I read in the papers that this Department was going to be reorganized. When I became aware of the full particulars regarding it I thought that it was a virtual dethronement of my Honourable friend Mr. Dow. He was formerly the monarch of this Department. But he has now been given two Grand Wazirs who seem to exercise all the real power and to place him in the same position with regard to themselves which I believe the Supply Member occupies with regard to him. Let us see what the activities of those Directors General are. Let me first turn to the manner in which their Departments have been staffed. The Director General of Supply is Brigadier Wood, who was formerly the Secretary of the Department of Supply. Then there are two Deputy Directors General and a number of Directors—of Textiles, Timber, Miscellaneous, and so on—and there are a number of Deputy Directors. But these are all Europeans. The beautiful whiteness of this Department is spoiled only by one spot. There is an Indian officer on special duty. With his exception there is no Indian occupying what I would call a superior post in the Directorate General. The appointments made in the Directorate General of Munitions Production tell the same story. The Director General is our old friend Sir Guthrie Russell. The House will not therefore be surprised to learn that his Department too consists almost wholly of Britishers. According to the list supplied by the Honourable Mr. Dow, there are two Deputy Directors General and Directors of Factory Expansion, Civil Production, and so on—all are Europeans. There are a number of Deputy Directors and among them there is one Indian. The Officer on special duty is a European, so is the Metallurgist. We see therefore that the expansion of the Supply Department has practically led to no increase in the number of Indians in it. It has rather aggravated the complaints that we formerly had against this Department. But this does not complete the tale. The Department has organizations under its control in the provinces. It has in the first place Controllers of Supplies. They are six in number and three of them are Europeans and three Indians. This *prima facie* seems to be a very fair arrangement, but the Controllers of Supplies in the three important centres of Calcutta, Bombay and Cawnpore are all European. There is another set of officers under the Control of the Department called Advisers. Their activities too are carried on in the provinces. They may not be limited in their functions to one province, but what I mean is that these officers do not form part of the headquarters secretariat. Well, we have a number of Advisers, for instance the Wool Adviser is Mr. Watt of the Lalimli Mills of Cawnpore; the Leather Adviser—I had almost called him the Leather King—is Mr. Inskip of Messrs. Cooper Allen & Co. of Cawnpore. I should like to ask why, when Government have a Harness and Saddlery Factory of their own at Cawnpore, they have appointed a man belonging to a private firm as their Adviser? Their Harness and Saddlery Factory is a very efficient concern. The public would have thought naturally that they would utilize their own experienced officers at Cawnpore. I should like to know why Government, setting aside their own officers, have in this matter appointed the representative of a private company as their Adviser at Cawnpore? There are a number of other Advisers. I need not go into the whole number. Only one of them who is concerned with steel is an Indian, and I understand, at any rate it is feared, that efforts are

being made to have even that Adviser replaced by a British Adviser. Again, Sir, as regards tents, while there is no Adviser in respect of them, it is rumoured that there soon may be a Tent King also, just as we have a Wool King and a Leather King. As I have already said there are a number of Advisers, but with the exception of one they are all British and their Deputies also are non-Indian. I should like to know how it is that Indians have been almost completely excluded? Is it that no qualified Indian was forthcoming or is it that the Government of India being the successor of the East India Company still takes good care to see that the commercial interests of the Europeans are placed above the interests of the people of the country. Sir, the manner in which the Department has been staffed requires a good deal of explanation, and I am afraid that Government will not be able to advance any valid justification for the manner in which they have treated Indians in respect of the superior posts in this Department.

Now, Sir, I should like to say one word with regard to the qualifications of some of the men who have been appointed to this Department. Take the Director General of Supply, Brigadier Wood. I have nothing to say against him on personal grounds. It would be impertinent of me to say anything with regard to his professional qualifications, but I think I may be permitted to say, having met him once or twice, that he appeared to me to be a very able officer. I do not doubt his professional ability or his general ability. But what I want to know is what is his particular ability for the post that he occupies? What are his qualifications for dealing with questions relating to supplies of various kinds, which so far as I can see are not connected to any large extent at any rate with the supply of war stores. One can easily name half a dozen Indians who would have been quite suitable for being appointed to this post, and could perhaps have been appointed more economically also. Government want to speed up production and organize the Department in the most efficient way, but they appoint to a key post a man who so far as one can see has no special qualifications for it. In any case I venture to submit that men with far better qualifications would have been easily available in the country had the interest of the country been the sole concern of Government. Now, let us take our old friend Sir Guthrie Russell. He got four extensions I believe as Chief Commissioner for Railways and now he will be Director General of Munitions Production I suppose till the end of the war. I do not grudge him his good fortune, but again, what are his special qualifications for the post? He is a railway engineer and he may be a very competent man for the post. I do not say that he is unfit, that he has not the qualifications entitling him to his present appointment, but if Government intended to give even one important key post to an Indian they could easily have appointed an Indian to be Director General of Munitions Production. If for any reason their choice was to be limited to railway engineers I could name competent Indians who could be selected, Indians who had been railway engineers and who had held high positions. But I do not want to mention any names. I have no doubt the House knows that there is dearth of suitable men possessing qualifications of the kind that our friend Sir Guthrie Russell does. Sir, I shall give just two or three illustrations more. In the main Directorate there is one Major Ormond, a practising Barrister before his selection, who has been appointed as Director of Indents on Rs. 1,500 per mensem. We have been told that his professional income was much more. I accept that; but I should like to know what were his qualifications for being appointed as Director of Indents. He might have been a very good barrister. He may be a very excellent man personally; but why has he been appointed as Director of Indents? Again, Sir, there is a Director of Co-ordination, a Britisher, who, I have been told, belonged, before his

[Pandit Hirday Nath Kunzru.]

appointment to the Air Conditioning Corporation. He has been appointed on a salary of Rs. 1,500 a month. My last illustration refers to the Director of Textiles, who has been appointed on a salary of Rs. 2,250. I understand he has been taken from a private firm. I should like very frankly to mention here an allegation that I have heard repeatedly in business circles here. I cannot vouch for its accuracy but since it has exercised the mind of Indian business men here I venture to draw the attention of Government to it. It is said that in addition to his salary he gets a commission from his old firm on the orders placed with it by Government during the war, orders which can only be placed with it on the recommendation of this officer. I should be glad to know—

THE HONOURABLE MR. H. DOW : What is the name of the officer ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I have not given his name but if the Honourable Member wants it I can—

THE HONOURABLE MR. H. DOW : What is his designation ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Director of Textiles and if he wants his name it is D. M. Passmore. I hope the Honourable Member will be able to tell us that this allegation is not true. I do certainly hope that for the good name of the Government of India that they have not allowed anything which would justify the allegation that I have brought to their attention.

Now, Sir, I will pass on to the second part of my Resolution, the need for exercising proper administrative control. I understand that the Directors General occupy the status of Additional Secretaries to Government. If this is so they can pass orders in the name of the Government as the other Additional Secretaries can. Nevertheless I should like to have further information regarding the full extent of their powers. Are cases dealt with by them referred to the Member in charge or even to the Secretary of the Department ? If they are not why has Mr. Jenkins, who was till recently the Chief Commissioner of Delhi, and a very efficient Chief Commissioner too, been appointed as Secretary of this Department ? What is the function of the Vice-President of the Board of Supply or the Supply Member himself if their Additional Secretaries are independent of them ? I want to know in particular what type of cases these Additional Secretaries take to the Member in charge, and in what cases power is finally delegated to them to act on behalf of Government. I want this information particularly because it was stated recently in the press that further decentralization in respect of the powers of the Directors General was under consideration ? I do not know whether this statement is true or not, but the general belief is that their powers are already enormous and the rumour that they might be further increased has naturally created a great deal of anxiety. Lastly, I should like to say a word or two with regard to the organization of the Department of which my Honourable friend Mr. Dow is the Vice-President. Of the two Directors General one has his office in Delhi and one is in Calcutta. Well, I should like to know how the Government of India are exercising the control that they should in respect of the activities of the Director General of Munitions Production who has his office in Calcutta ? I hope that the Government has not been divided into two parts : one part functioning in Delhi under Lord Linlithgow and the other in Calcutta under Sir Guthrie Russell. Sir, the

arrangement, I must say, is of an extraordinary character. I hope Mr. Dow will forgive me if I say it is utterly absurd. It has been thrust on us in the name of urgency of supplies for the war, but it is hard to believe that there are any sound reasons that can be urged in favour of this system.

Now, Sir, one word with regard to the last part of my Resolution, the enforcement of the policy that was laid down by Government regarding the Indian Stores Department. We know that this Department owes its existence to the recommendations of the Indian Industrial Commission. When it was established it was laid down roughly speaking that its function would be to act as a purchasing and inspecting agency on behalf of the Central Departments of the Government and to scrutinize the Home indents of all these departments. Our complaint for a long time has been that the Central Departments of the Government of India have not made full use of this Department, but I understand from what has appeared recently in the papers that the Department has not given satisfaction to British businessmen. I refer, here, Sir, to an inquiry instituted by the Associated Chambers of Commerce, of which our Honourable friend Mr. Richardson is President, at the instance of the Bengal Chamber of Commerce in regard to the manner in which the Indian Stores Department is at present proceeding. I understand that the complaint is that its procedure is dilatory and vexatious and results in slowing up war production and supply. Now, outwardly, Sir, there is dissatisfaction both with the Supply Department and the Indian Stores Department, but the Upper Indian Chamber of Commerce has let the cat out of the bag by saying in a communication addressed to its member bodies that "the accusations seem to be directed primarily at the Indian Stores Department". Now, what I should like to know, Sir, from my Honourable friend Mr. Richardson, if he cares to speak during this debate is as to whether this statement is true and, if so, to let us know more definitely what are the charges that the European community has to bring against the Indian Stores Department? From such facts as have come to my knowledge, it does not appear to me that the Department has either been extravagant or dilatory. I know of one important article dealt with by it and I have taken more than ordinary interest in it because it concerns the city of Cawnpore in my own province. I am referring, Sir, to tents. I understand that, when the war broke out, large orders were placed with the Cawnpore mills. In March, 1940, however, the Indian Stores Department, through which orders were placed, invited tenders. The result was, I am told by the businessmen themselves, that the price for March orders was less by 10 to 15 per cent. than the price for previous purchases and that the price for April, 1940 was still lower—I understand it was 10 per cent. less than the March price. And now I understand that competitive rates are being offered by 48 factories in different parts of India. I do not think I need give more illustrations, Sir, but if any more illustrations are necessary, I would refer to the case of motor bodies which had to be manufactured in this country. I know something about it as I frequently go to Bombay. I have been told that the Government of India, but for the efforts of the Indian Stores Department, would have had to pay a substantially higher price than they actually did. If this is true—and I have no reason to doubt the accuracy of this statement because it has been made to me by people acquainted with the motor business—it reflects considerable credit on the Indian Stores Department. My Honourable friend Mr. Dow laughs superciliously. Let him have his laugh. I do not in the least mind it so long as he can assure us that the Indian Stores Department has acted economically and efficiently.

In view of these facts, Sir, I should again like to ask, why there is dissatisfaction with the Indian Stores Department? From the facts that have

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come to my knowledge I see no cause for dissatisfaction. It can be accounted for only by political prejudices. I think I should in this connection bring to the notice of Government the dissatisfaction of the Indian business community with the Supply Department. I have already spoken of the manner in which British officers have been appointed to almost all the important posts in the Supply Department but what I want to refer to now is the dissatisfaction among Indian businessmen which is due to the feeling that they are being discriminated against and that they are getting much fewer orders; I mean orders of a much lower value, than the European firms. Colour is, of course, lent to their allegations by the manner in which the Supply Department has been staffed, as I have already said more than once. But I have been given facts relating to the orders placed in Madras which tend to show that the feeling in Indian business circles is not unfounded at any rate to a large extent. I understand that in Madras a very large proportion of the orders has been placed with European firms.

THE HONOURABLE SIR ALAN LLYOD: May I ask if the Honourable Member refers to orders placed by the Indian Stores Department or other orders?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: That I cannot say. I wish I had the information asked for at my disposal but I have not got it.

THE HONOURABLE MR. H. DOW: I have already placed that information at the Honourable Member's disposal in answer to a question, I gave him the figures of the orders placed by the Indian Stores Department. Practically all these orders have been placed by the Indian Stores Department, with which the Honourable Member was just now expressing a great deal of satisfaction—quite rightly too.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I don't remember when the Honourable Member gave me this information. He may have done so, however. His memory may be better than mine.

THE HONOURABLE MR. H. DOW: It was only 24 hours ago.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Yesterday. Well, we have not got the detailed replies to questions that were given yesterday.

Then again, Sir, I will give one more illustration which refers to the Directorate of Contracts which is now under the Supply Department. I understand that its tenders are not published, while the Indian Stores Department still publishes the results of its tenders in the *Indian Trade Journal*. In particular cases it may withhold these results from publication but as a rule it publishes them, but the Directorate of Contracts refuses altogether to publish the results of tenders received by it. Apart from this, I am told that it has made a European firm at Lahore its sole purchasing agency for certain kinds of foodstuffs, such as wheat, barley, rice, etc., and I understand that has been done without inviting tenders. I know, Sir, that what has been done cannot be undone. I don't want, therefore, to go on dealing with what has happened in the past. But it behoves us to see that the policy pursued in future is such as to give no cause for dissatisfaction to the people of this

country. What has happened so far has created a fear that the Indian Stores Department might be abolished. We feel, on the other hand, that it should be enlarged and entrusted to a much larger extent with the purchase of the requirements of all the Departments of the Central Government. We further suggest that the results of tenders should, as a rule, be published. And lastly, we ask that the Advisers of Government should be appointed in such a way as to safeguard Indian interests. The Advisers are all concerned, it is true, with manufacturing industries while Indians are mostly connected with the raw materials which these industries require. But, when the prices of manufactured articles are fixed, it is obvious that the prices of the raw materials required for them are fixed by implication. This is the main cause of the complaint of Indian businessmen against the present arrangement. I brought it to the notice of my Honourable friend Mr. Dow, in March last. I bring it to his notice again and I suggest that if the present Advisers are to be retained, there must be associated with them Indian Advisers who are connected with the supply of raw materials—

THE HONOURABLE MR. SHANTIDAS ASKURAN : With business and industrial experience.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :—required for the industries in which Government are interested.

Sir, I have nothing more to say except to express the hope that in view of the importance of the activities of the Indian Supply Department in respect of the present and future industrial development of this country, Government will take adequate steps to carry out the proposals made in my Resolution. Industrial advancement is the only foundation on which the future prosperity of the country can be built up.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadian) : Sir, before I go on to develop my remarks on the Indian Supply Department I should like, with your permission, to congratulate the Honourable Mr. Dow on his promotion to the high position of the Governor of Sind. (Applause.) We have attacked the Department of Supply ; we have attacked the head of the Department of Supply for his policies ; but I can assure him that there is no ill-will on this side towards him. He has been, Sir, a valued colleague of ours in this Council and we wish him all success as Governor of Sind. We hope he will be able to restore peace and order in that unhappy province.

Sir, the Honourable Mr. Dow showed himself responsive yesterday, in the statement that he made in this House, to popular opinion. He agreed to the appointment of a Committee for the Supply Department and the Committee will be composed of elected Members, as Government will support elected Members only. We, on this side, Sir, are always thankful for small mercies, and as the Honourable Mr. Dow came into trouble with a certain section of the House because of our attitude, I think we are bound to stand by him in the stand that he took in regard to this matter—

THE HONOURABLE THE PRESIDENT : You are taking the opportunity today to talk about a matter on which you did not talk yesterday.

THE HONOURABLE MR. P. N. SAPRU : No, Sir.

THE HONOURABLE THE PRESIDENT : Then please proceed with your speech.

THE HONOURABLE MR. P. N. SAPRU : I was only saying that we fully share the responsibility with him for the statement that he made. The responsibility really was ours, not so much his, because there would have been pressure on him from this side to make the statement that he made.

The Supply Department, Sir, is a very important Department from our point of view. It is one of the key Departments at this moment. Whatever our political differences might be, it is essential for us to win this war and upon the efficient manner in which this Department works will, in a large measure, depend the success of India in this war. Services in connection with the Supply Department are in connection with the war, and the interest taken by non-official Members in the Supply Department shows that they are not indifferent to what happens to this country or to the war. The Supply Department is not a mere Department of administration like the other Departments. It is a Department upon the efficiency of which would depend in some measure the outcome of the present conflict. I would say, therefore, that every one who is doing work in the Supply Department is doing national work, is doing patriotic work. We should impress this upon every one who is doing work in the Supply Department that he is doing some patriotic work, that he is doing some national work, work which will earn him the thanks of the country and as he is doing this patriotic work and as he is earning the thanks of the country for this patriotic work, I say he ought to be prepared to make sacrifices and he ought not to expect or demand a salary higher than what he was getting before. I think it will serve no useful purpose if I were to deal here with the salaries of officers before and after their appointment in this Department. I would emphasize the point that we must all be prepared in war time for some sacrifice and men who do work in the Supply Department should be prepared for sacrifices. I am sure their sacrifices will be appreciated by the community at large.

Then I should like to pass on to another question, namely, the question of Indianization in the Supply Department. Sir, I have a statement before me—I am not going to read the names of the officers—of persons drawing a salary of Rs. 800 or over in the Supply Department. I find that in the Department of Supply there are 13 men, and out of those 13 only 5 are Indians. Then in the Department of the Director General of Supply there are I think 14 men, and all of them are Europeans. In the Office of the Director General of Munitions Production there are 32 persons, and as far as I can see only four of them are Indians. I am not referring to the Indian Stores Department, the supplies for which we vote. This is the position in regard to Indianization so far as the Supply Department is concerned. It is a very unsatisfactory state of things from the Indian point of view. You want Indian co-operation, you want Indian help, but the help and the co-operation that you can get can be only on terms consistent with the self-respect of India, and you must therefore give an opportunity to the Indian to serve in this key Department also. I do not accept the view that efficiency is the monopoly of any particular race. You can get efficient Europeans and you can get efficient Indians; and I do stand for the view that in his own country the Indian has a superior claim to employment than the European.

Then I should like to refer to the system of recruitment to new posts in the inferior positions in the Supply Department. Perhaps the Honourable Mr. Dow will correct me if I am wrong, but my information is that the services of the National Service Committee have been utilized for getting recruits. The National Service Committee, as the House knows, was established to help in the recruitment of Anglo-Indians and Europeans for army purposes. We on this side of the House objected to this Committee because we found

nothing national about it. The one national feature of it was that the nationals of this country were excluded from the purview of the Act which brought this Committee into existence. There is therefore objection on our part to recruitment through this National Service Committee. I think you ought to utilize the services of the Public Service Commission for the purpose of your recruitment. The Public Service Commission is a very impartial body. It has a European President, it has a Muslim member and a Hindu member, and its reputation for integrity and efficiency and fairness and justice stands high. I think, therefore, its services should be utilized for recruitment, and that ought to put matters right.

I do not want to refer to individual officers, but I think there is an age when we must all retire, and I do not like that there should be positions reserved for certain people. I think, so far as the Director Generalship of Munitions is concerned, it was possible to get an Indian Civil Servant of experience to run the Department of Munitions. You do not necessarily need an engineer, a very distinguished and eminent engineer, to run the Department of Munitions. If you so wished you could have taken an Indian Civil Servant of experience for the post. Also I find, the Honourable Mr. Dow will correct me if I am wrong, that there are far too many Anglo-Indians in the minor and clerical staff of the Munitions Department. I would like also to say that the impression ought not to be allowed to go abroad that there is any discrimination in the matter of contracts and supplies between the nationals of this country and the Europeans. I would, therefore, suggest that the purchases should be through the Indian Stores Department. That Department is to some extent under our control. We vote its supplies. Why should the military authorities control and regulate supplies? In my opinion the Director of Contracts should be a civilian. We do not want military men to dissipate their energies over work of this minor character. We want our friends like Colonel Sir Hissamuddin to go to the front and fight for us. We do not want them to waste their time over work which can be done with greater efficiency by civilians. Sir, we believe in the division of labour. I emphasize this point because I want these key positions to go to Indians, because I want you to make India feel at this moment that you trust India and Indians.

Now, Sir, I come to another point. The work of purchase for His Majesty's Government is in my opinion commercial work. It is not a work for which we need the services of the Defence Department. I think that for purchases made we should continue to charge, as has been the practice in the past, our usual 3 per cent. commission. I do not know exactly what is the position in regard to this commission business at present. Perhaps the Honourable Mr. Dow will enlighten us on this point. I do not say that we should make a profit out of these purchases, but I see no reason why we should dispense with this commission for purchases through this country by the United Kingdom or the Dominions or the other parts of the British Empire. If the Department is organized on these lines and we get an assurance that all these matters will be the subject of review by a standing committee on which our elected Members will find representation, I am sure it would command the confidence of

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the country. It is necessary that the Supply Department, which is a very important Department at this moment, should inspire the confidence of all sections of the community and not only of certain sections of the community, and it is from this point of view that I would urge the Honourable Mr. Dow to accept this Resolution. It is not intended to be a vote of censure: it is intended to help him in organizing the Department on a proper basis.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay : Non-Muhammadan) : Sir, let me congratulate the Honourable Pandit Kunzru on his foresight in bringing forward this Resolution at this particular juncture. I give my wholehearted support to the objects he has set out in the terms of the Resolution. Sir, it is beyond controversy that in this country the repeated demands of the people for an active policy of State assistance to foster our industrial development met with refusal throughout the last century and right up to the commencement of the last Great War in 1914. It was only during that war that the Government of India realized how helpless India was, both in regard to her normal requirements and as a military asset to the Empire without any industrial development worth mentioning. Sir, we had the spectacle in the early stages of hostilities of the Government of India appointing Sir Thomas Holland to preside over the Department of Munitions. During a critical period of that war, Sir Thomas Holland was appointed Chairman of the Industrial Commission which toured the country and produced a report with far-reaching recommendations. The question of fiscal policy alone was left over by the Holland Commission to be considered after the end of the war. Sir, it is a well-known fact that with the return of normal times many of the recommendations of the Industrial Commission were put into cold storage. A Fiscal Commission, however, was appointed, presided over by that distinguished Indian, the Honourable Sir Ibrahim Rahimtoola. There was a majority report and a minority report, the latter signed by the Chairman and some of his Indian colleagues. It is not necessary for the purpose of this debate to describe in detail the halting policy adopted by the Government known as discriminating protection. Sir, so far as the Indian business community is concerned, it firmly believes that considerably more rapid progress could have been achieved in regard to our industries, if the Government had shown a willingness to take a more active interest and more vigour in support of established and new industries. There should have been, soon after the return of peace conditions, a well-planned, long range policy for exploiting the resources of India in the interests of the people. Sir, I will not go into the sorry episode of the repeated but futile efforts made by non-official Members of the Central Legislature to help such essential industries as ship-building and in more recent years the manufacture of aircraft and of railway locomotives.

Sir, I acknowledge with gratitude that within the last few months the Government of India have shown a greater realization of the need for all round industrial progress. We welcome the establishment of the Industrial and Scientific Research Board and the signs of active interest it has shown, since its inception, in various directions. I have already referred, Sir, with appreciation, to the assurance given by the Honourable the Commerce Member and the Honourable Mr. Dow that all possible steps will be taken to assist the manufacture of aircraft and automobiles in this country. The question, however, Sir, which interests us most is, as I ventured to point out in my speech on the Finance Bill, how far are the interests of Indian industries going to be safeguarded in the policy of active assistance which the Government of India intend to follow during this war? From that point of view, Sir, we cannot conceal our anxiety in regard to the Department of Supply. If there is one matter which has cropped up more frequently than any other in the course of the debates on the Finance Bill in both Houses of the Legislature, it is in regard to the Department of Supply. Here is an enormous department which has grown up under the stress of war conditions, with unrivalled opportunities of helping the industries of India by organizing the purchase of Indian goods, both manufactured as well as in their raw state. Indian businessmen cannot help viewing with misgivings the relationship between the Indian Stores

Department whose past policy towards Swadeshi industries has encouraged us to place confidence in its methods, and this new Department of Supply. The Indian members, Sir, have expressed, rightly in my opinion, its suspicions when recently the Indian Stores Department was placed under the control of the Supply Department. A fear has already arisen that this may prove to be the thin end of the wedge. Unless prompt steps are taken, efforts may even be made for the abolition of the Department.

Sir, it is for the Government to come forward with authoritative evidence to remove the many suspicions to which expression has been given during the last two weeks in this House as well as in the other House. I have read, Sir, with interest and care, the observations of the Honourable Member in charge of the Supply Department in reply to various allegations made in another place. Sir, some of us are not satisfied with the plea that because this Department had to be organized under abnormal circumstances, it was not possible to appoint a larger number of Indian officers to key positions. I hope, Sir, that this policy will not continue in the future and that it does not imply distrust of Indian officers of the Government of India.

Another point, Sir, to which reference has already been made in the debates in the other House, is the abandonment of the tender system generally by the Supply Department. We are all of us willing to make many allowances for work which has to be rushed through in war time. A certain amount of waste and extravagance may indeed be inevitable in such circumstances. But, Sir, I sincerely hope that the responsible officers in charge of the Department and the Honourable Member himself will not allow the war to be made an excuse for yielding to the clamour of vested interests and the imposition of unfair handicaps on Indian industries and Indian business. Every effort should be made to invite tenders through the *Indian Trade Journal* and for the fullest publicity possible regarding the requirements of the Supply Department.

In this connection, Sir, I would like the Honourable Mr. Dow to kindly inform this House whether a certain percentage of the contracts are given to parties who, the Indian Stores Department know, do not possess factories of their own. These people place the orders with manufacturers who might not be able to get orders direct from the Stores Department. I daresay that, if these orders are placed direct, the middleman's profits will be saved.

THE HONOURABLE MR. H. DOW: Sir, this is an extraordinary allegation. Is the Honourable Member aware that it is the Stores Department itself that places these contracts?

THE HONOURABLE MR. SHANTIDAS ASKURAN: And do I understand from you, Sir, that the orders are not given to persons who have got no factories and who place them with manufacturers?

THE HONOURABLE MR. H. DOW: That is not the allegation you made.

THE HONOURABLE MR. SHANTIDAS ASKURAN: No, no. I am not making an allegation. I have only given the facts.

THE HONOURABLE MR. H. DOW: I will deal with it in the course of my reply.

THE HONOURABLE MR. SHANTIDAS ASKURAN: Sir, now that the Indian taxpayer is called upon to bear the full charges of the enormous establishment of the Supply Department, it is more than ever necessary that strict control should be exercised over its various sections. We would like to be assured that there is no duplication of the work in consequence of lack of co-ordination. I hope, Sir, that the Standing Committee which is being appointed will be given every facility to investigate the various complaints that have been made against the present methods and policy adopted by the Supply Department.

Sir, in supporting the Resolution, I venture to express the hope that the Government of India will accept it and carry it out in the spirit in which the discussion has taken place.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muham-madan) : Mr. President, the Resolution before the House is not a drastic measure. It does not outright condemn the Government's action ; I am afraid, Sir, all the misunderstanding that exists about the Supply Department is due more to its secrecy than to any inherent defects of its own. The Supply Department deals with a great number of items and its activities are ever on the up-grade. Naturally the common man is worried and wants to know how the things are being carried on. At the present day, in the democracies as apart from the autocracies of the dictator nations, the safeguard which has been imposed is that everything should be before the public eye. I appreciate the difficulties of the Department. The Department, when it was first formed before the beginning of the war, was a very, very small Department. I remember having met Mr. Dow before the war when he was first appointed to this Department at Simla. Then he had a small office in Gorton Castle and nothing much to go upon. The Department has increased and the complaint which we as Indians have against this Department is, firstly, that its personnel has got too many Europeans and Anglo-Indians. That, Sir, may be due to natural causes, to the fact that our head officers being Europeans knew more Europeans than Indians to fill these posts that were being created. But that is no excuse for doing the same thing now when we have had breathing space.

Secondly, Sir, the trouble is that in expanding this Department it is feared a lot of duplication has resulted. The Department is divided probably into four or five major heads. First, there is the Department of Supply proper. Then there is the Department of the Director General of Supply. Then you have got the Indian Stores Department. Then you come to the Directorate of Contracts. Then you have got the Controller of Supplies. And in addition to these, you have the advisers and liaison officers and others. The Honourable Pandit Kunzru has referred to different kings, the Wool King, the Tent King, the Textile King. I am not aware of the exact procedure that is adopted in the Supply Department and therefore cannot say whether they act as kings, ministers, or ministerial officers. But a question arises, what is the control exercised by the Supply Department proper and the Finance Department ? This, Sir, is a very pertinent question and I think it is about time that we considered the matter in all its implications. It is no condemnation of the Department to ask that it should be ventilated. When the matter is properly sifted, I think it will be found that Mr. Dow's Department is not half so bad as it has been painted. Sir, there can be no two opinions on item (c) of the Honourable Pandit Kunzru's Resolution—that the policy laid down in regard to the development of Indian industries when the Stores Department was constituted should be enforced. The difficulty at the present moment is

that the division of functions between the Directorate of Contracts and the Indian Stores Department is arbitrary. We are following the old system which existed before the war. The Contracts Directorate was in charge of certain supplies for the army. That is being continued. It might have been a good policy then when the requirements were small, but it is open to question whether the continuance of that system at the present time is advisable. I for one, Sir, would stress two or three points for the consideration of the Supply Department on its reorganization. Firstly, Sir, I have a strong objection to the re-employment of people who have already retired or giving extensions to those whose period of service is at an end.

THE HONOURABLE MR. R. H. PARKER : Even in war time ?

THE HONOURABLE MR. HOSSAIN IMAM : In war time you may have one or two officers who have special qualifications but here I have a list of 19 people ranging from a salary of Rs. 100 to Rs. 2,800 who have been retained after having qualified for pensions. You cannot say that all these people could not be dispensed with. This information is given in reply to question No. 42 in the Legislative Assembly. I agree with the Honourable Mr. Parker that there might be exceptional cases, but they should be rare and not the ordinary rule.

Secondly, Sir, I wish that in order to give India a greater sense of responsibility and a greater opportunity of serving, the number of Indian officers in the higher ranks should at least be a half. Indians to be recruited need not necessarily belong to the Services. You have taken people from outside among the Europeans and so you can take outsiders either from the business or the public life as you like for the posts which carry exceptional responsibilities.

Thirdly, Sir, I should like unnecessary posts to be abolished. I could not understand what exactly the functions of the Controller General of Purchase are. You have in the Supply Department which deals with all the purchases a Vice-President, War Supply Board, a Secretary to the Department of Supply, any number of Joint Secretaries, Deputy Secretaries and Assistant Secretaries, and in between the Secretary and his Joint Secretaries and Deputy Secretaries you have a Controller General of Purchase. When the purchases are not made by the Supply Department, what are the functions of the Controller General of Purchase ? He seems to be a fifth wheel. There are in the Supply Department three Deputy Secretaries, two Under Secretaries, one Joint Secretary and one Secretary. I think that for an administrative controlling department the number of functionaries is rather too big. It should be capable of reduction as you have decentralized some of your work. I am not a believer in greater and greater centralization. Centralization has its advantages. I have heard of instances in which stores to the value of a few rupees to be purchased by the Supply Department have cost more in communication and telegrams to the Supply Department and from the Supply Department to others than the cost of the article themselves. These are the disadvantages which probably prompted the Supply Department to decentralize some of its functions. There should be, in my opinion, an equable settlement between the advantages of centralization and its disadvantages. To a certain extent, in an extensive Department, it is necessary that there should be also decentralization. The Honourable Mr. Shantidas Askuran has brought out a very important point, that there is duplication of work. Improve, as far as you can, from your experience—I do not blame you for duplication in the past, but its continuation would be a slur on you. You

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should, however, be open to improving the Department by learning from your errors. To err is human. But a wise man, after making his mistake, corrects himself and a fool persists in it.

Well, I am personally interested, Sir, in seeing that the debate is not prolonged too long so that I will not lose the opportunity of moving my Resolution. Therefore I shall now conclude.

THE HONOURABLE SIR MUHAMMAD YAKUB (Nominated Non-Official) : Mr. President, I thought that the necessity for moving this Resolution did not exist any longer. We have seen yesterday, that the Government themselves agreed to appoint a Standing Committee, consisting only of the elected Members, to go into the working of the Supply Department, and I thought it will not be too much to hope, that with a magic wand in his hands our friend, the Honourable Dr. Kunzru, will do miracles when he is elected a Member of that Committee. Now that, by weeding out the nominated Members, my Honourable friend has successfully conspired to make his election to this Standing Committee sure and certain, I thought that he will wait and see how affairs in the Supply Department stood before he moved his Resolution.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Sir, is this all in order ? What has this Resolution got to do with the possibility of my election to the Supply Committee ? That question is not relevant at all.

THE HONOURABLE SIR RAMUNNI MENON (Nominated Non-Official) : He is only advertizing it.

THE HONOURABLE SIR MUHAMMAD YAKUB : I wanted to give prominence to your conspiracy, and your successful conspiracy too.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I do not want your kind efforts.

THE HONOURABLE SIR MUHAMMAD YAKUB : I know that you have got more kind and bigger friends than myself who have already supported you in your conspiracy.

THE HONOURABLE THE PRESIDENT : Please come to your speech on the Resolution.

THE HONOURABLE SIR MUHAMMAD YAKUB : He interjected and I had to answer. Sir, my Honourable friend has taken great pains in enumerating the defects in the administration of the Supply Department. Well, so far as these defects go, my Honourable friend Mr. Dow himself made a clean confession on the floor of this House yesterday that there were some valid grievances and some exaggerated complaints against his Department, and I thought that when the accused has made an open confession in the House, my friend the Honourable Mover will not be so hard upon him and will not insist upon his pound of flesh. But the trend of the whole speech of the Honourable Mover of this Resolution is that he seems to have no confidence in Englishmen, and that he is suspicious of all Englishmen from top to bottom without making any discrimination. Mr. President, if confidence begets confidence, non-confidence and suspicion also begets non-confidence and

suspicion, and if my friend says that he has no confidence whatsoever in any Englishmen, how can he expect that they will have confidence in him? Mr. President, we are always told that the Government did not take our politicians and the members of the Opposition into their inner counsels and in their confidence. But, when we see the difference between the attitude of the Opposition in England and that of the Opposition in India, we will find, whether our Opposition deserves to be taken into confidence or not. In England, you will find that Mr. Attlee, the Leader of the Opposition, is now the Deputy of the Prime Minister and he is trying his best to prosecute the war—with a greater zeal, perhaps, than the Prime Minister himself. But what is the condition of affairs in India? We find that as soon as war was started our politicians, those who were responsible for the administration of the country, tendered their resignations. The Opposition in the Central Assembly withdrew from the task which was placed before them. Instead of prosecuting the war and helping the Government, what are the members of the Opposition doing? Instead of sitting at their office tables as Ministers, they are now going to jail to have some rest. Is that the way in which they want that Government should have confidence in them or do they deserve that the world should say that Indians who were placed in positions of responsibility are fit to discharge their responsibilities as they ought to do?

Mr. President, I will be only too glad if more Indians are appointed to the Supply Department, but, Sir, I would like to see that these appointments are not made the monopoly of one community or one nation and that care would be taken that a fair and just share is given to all the communities and all the nations who live in this country. The Honourable Mover says in his Resolution that immediate steps be taken to reorganize the Supply Department. Now what does this mean? Reorganization means dislocation and suspension of work for a long time. In the present war conditions, when to lose a single minute means a great danger to our country, can any patriotic Indian say that the whole work of the Supply Department should be dislocated and suspended while new officers are appointed?

THE HONOURABLE THE PRESIDENT: At the end of his speech he made it clear that he was speaking about the future. He said let by gones be bygones.

THE HONOURABLE SIR MUHAMMAD YAKUB: Does my Honourable friend mean to say that effect to his Resolution should be given after this war is over and we have another greater war like the present one? If he does not want it for the present then the whole object of his Resolution is gone. If he wants that the reorganization should take place during the present war, then I think he wants to dislocate the whole administration of the war and would be endangering the defence of the country to a great extent, which I think cannot be expected of a patriot like the Honourable Mover of the Resolution.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Of what use then is the culprit's confession, to which you referred?

THE HONOURABLE SIR MUHAMMAD YAKUB: After confession, Sir, the accused always gets a technical punishment, and I will not be sorry if my friend Dr. Kunzru would be satisfied by giving a technical punishment to the accused, and after he has given him a good thrashing on the floor of the House, will not insist on pressing his Resolution to the vote.

With these remarks, Sir, I am sorry I cannot support the Resolution as it stands.

THE HONOURABLE MR. J. H. S. RICHARDSON (Bengal Chamber of Commerce): Sir, I welcome the invitation which my friend the Honourable

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Pandit Kunzru has extended to me to explain the attitude taken up by the Associated Chambers of Commerce of which I am the President. But before I do so, I must take this opportunity also of comparing the attitude of my friends which they took up yesterday, when it was evident they were doing all they could to stop the voting of the money over the expenditure of which they are today evidently evincing so much concern.

Now, first of all let me say a word about Indianization. The appointment of so many Europeans to the Department of Supply is a matter with which my community has, so far as I am concerned and so far as I know, had nothing to do. We are not opposed to Indianization. We—and I am speaking so far as my own firm is concerned and my own Chamber of Commerce—have done all we can to train and put responsible Indians in supervisory positions. It has not always been a success, but neither is the appointment of a European or anyone always a success. But we have done what we can and that is our intention. We are second to none in that respect and we have shown our sympathy in this matter by what we have done in regard to the Appointments Board of the Calcutta University and, also the Government Commercial Institute. They are but two illustrations of many which I could quote in respect of this matter. If responsible Indians and Indians with ability can be found to fill some of these positions, we are not against it. But it must be people with ability. It must be people who will by their work do nothing to impede what we consider is the primary consideration and that is the war effort.

Turning to the other matter, I would like briefly to tell the House the history of the Associated Chambers' inquiry. In June last after the collapse of France, the agitation for Government to use to the full India's industrial war effort was increased, and along with Indians we Europeans did all we could to bring to the notice of the Government our feeling that they were not using this industrial capacity to its fullest extent. Government had its reasons, which they explained to us and which very much helped to allay our criticism. But it was evident after the collapse of France that the matter was very very serious indeed and drastic alterations were required in the Department of Supply in order that this industrial effort should be used to its utmost. One of the chief things which we urged was this very question of decentralization which has been mentioned. We found in our transactions with the Supply Department a terrible handicap in their being far away in Simla on the one hand and we being in Calcutta, or wherever else the orders were being placed, on the other, with no real contact and business control. It was an impossible state of affairs, and it was evident that decentralization must take place if the effort was to be encouraged and made successful, I will leave Mr. Dow to go into further explanations if he wishes, but that was our point of view, and we welcome the decentralization which has since taken place.

Now, regarding the complaints in which connection the Bengal Chamber of Commerce started this enquiry. After the decentralization we were asked by one of the Directors of the Supply Department to meet him and put before him any complaints that we might have regarding the working of the Department. It was therefore necessary for us to write and ask our members what complaints they had and in consequence of certain representations which were made to the Chamber we asked members to let us know what they could regarding the impediments which stood in the way of bringing India's war effort to fuller capacity created by difficulties which business circles were reported to have experienced in their relations with Government departments particularly the Department of Supply and the Indian Stores Department. Here

let me say that unfortunately we did not also put in the letter the Contracts Directorate. It was quite unintentional and I assure the House that we had no biased intention in the matter. It was not purely against the Indian Stores Department that these complaints were to be made, but I will deal with that a little later on. The impediments which we had in mind were in three parts. First of all there was rigid and unnecessary insistence on minor contract provisions framed under peace time conditions and quite unsuited to the urgent requirements of the present day. Secondly, the complicated procedure connected with the submission of tenders and the fulfilment of orders. Thirdly, the vexatious and time-wasting incidents attributable to a variety of causes ranging from departmental red tape to inexperience, neglect, inefficiency or unapproachability on the part of the staff of the Department concerned. These were the matters on which we asked the members to report to us. From what I have heard since it is quite evident to me that these complaints and troubles were not only being experienced by European firms but were being experienced by Indian firms as well. Matters which have been referred to this morning show that it is not we alone who are concerned in this matter. It is you also and we hoped to go forward together in this matter and present to the Government those complaints in order not to obtain an answer but a cure. Anyone can produce an answer. Ask my friends of the Indian Civil Service who are always clever in producing an answer from the files ! (Laughter.) We want to cure these matters and it is with that sole object that this enquiry was instituted. Now how did this question of doubt regarding the associated Chambers' action arise ? So far as I can see it arose because in a letter which the Upper India Chamber issued and which was published in a Delhi paper, they said this :—" Although it is not so stated by the Bengal Chamber of Commerce it would appear that these accusations are primarily directed against the Indian Stores Department ". It is quite clear from that letter that the Bengal Chamber of Commerce, as I have already said, did not make this statement and I am not responsible for anything which the Upper India Chamber reads into the letter and quotes something which we did not say. The Honourable Pandit said that the cat was out of the bag. The cat was never in the bag. What are the results ? The results are that the other Federation of Chambers has taken up the matter on this misunderstanding thinking that we were asking for the abolition of the Indian Stores Department. We are not doing anything of the kind. We did not ask for the abolition of anything. We are asking for a cure of the various evils : that is all and nothing more. I am very sorry to see, I must say, and I think it a great pity that in it has crept the question of racial discrimination. The other Federation is conducting its enquiry on another line and has based it on a statement made by the Honourable Mr. Dow at Mysore when he said that the War Supply Board had issued orders worth Rs. 50 crores, and consequently from the Federation's point of view there was a genuine feeling held by some in the commercial community in India that the industries controlled predominantly by Indian nationals have not received their due share of the orders placed by the Supply Department. I have no complaint whatever in regard to my Indian friends urging their desire to receive a full share of these orders. There is nothing wrong in it at all. (Hear, hear.) My own opinion is that in the course of time and perhaps even now the Supply Department orders will be sufficient and more than enough for all concerns capable of fulfilment. Therefore it is regrettable that this enquiry has been instituted on a racial basis and I deplore it. I know of no European firms which have tried to get orders at the expense of Indians. As I have already said there will be plenty of orders for all concerned and this figure of Rs. 50 crores is entirely misleading. I thought it included such matters as sand bags and other very large items. However as I have

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said I have no wish to find fault with my friends who urge their case. But in doing so I would like to emphasize the fact that I feel they are making a mistake when they say that the existing machinery of the Indian Stores Department is entirely in order and does not require any revision whatever. In face of this how can you go forward to the Government with complaints? I know that this procedure is wrong and requires some amendment. If on the other hand you pass a Resolution saying that it is not faulty that seems to me to be entirely contrary to truth. I hope my friends would believe me when I say that it is purely our desire to alter things from the ordinary peace time routine which is unsuited and will not be successful, to war time routine. It is only that which we are urging. I believe we have in that respect their entire sympathy and agreement. I think from what you have said there is only this misunderstanding, which I hope my endeavours and explanations will efface.

THE HONOURABLE MR. H. DOW (Nominated Official): Sir, I should like to begin by saying how glad I am of this opportunity to deal with some of the criticisms made against the Department of Supply. There is a section of opinion which would have us think that India is not interested in the war, but it must be clear to all Honourable Members that the amount of attention both in this House and in another place, and on the part of all business interests and in the public press of the country, which has recently been devoted to the Supply Department, affords a complete refutation of those who pretend, who affect to believe, that India is not interested in the war effort. I do not feel any temptation to make in defence of my Department that kind of speech which when made by an officer of Government or by a member of the Muslim League is called an "outburst", and when made by another party is heralded as a "clarion call". I want to give, if I can, a plain unvarnished account of the development of the Supply Department, by way of leading up to the specific points which the Honourable Pandit Kunzru has made.

Before the war, there had been for many years in existence a body known as the Principal Supply Officers' Committee, of which the members were high military and civil officers of the Government of India. They had worked out what the supply organization should be in the event of war. They had collected a great deal of valuable data regarding Indian sources of supply, and in that connection I may say that they had done a great deal to encourage and develop those Indian sources of supply. But the events of the last few years before the war, and particularly of the few months before the war, had caused grave doubts in the minds of some of the members of that Committee as to the adequacy and workability of the organization which had been proposed, and eventually it was decided to place an officer on special duty to report on what the war organization should be and to plan it in some detail. I was the officer selected for this post, which was a post for which I had, and required, no staff at all other than purely clerical assistance.

But within a week, Sir, the war was upon us. Government took a decision which I submit in the circumstances was inevitable. A war supply organization had to be got going at once, and it was decided to put into working the organization which had already been planned, unsatisfactory as some of us felt it to be, and to improve it in the light of experience as we went along. The present war supply organization is entirely different from the one with which we started, and to the uninitiated I have no doubt that the present organization seems quite different to some of the intermediate steps by which

it was reached. If this war is a long one, as most of us think it will be, the final organization will perhaps be something very different still. What I think I may claim for the Department is this. Firstly, the Department did get to work at once. In the first two months of its running the Department had dealt, as I have stated before in this House, with purchases of no less than Rs. 14 crores—a figure which Honourable Members may compare in their minds with the ordinary average annual purchases of the Indian Stores Department for the preceding three years of Rs. 7 crores. We dealt with Rs. 14 crores in two months.

THE HONOURABLE MR. HOSSAIN IMAM : Through the Indian Stores Department or the Contracts Directorate included ?

THE HONOURABLE MR. H. DOW : The Indian Stores Department and the Contracts Directorate, but it is mainly Indian Stores Department.

Secondly, I think it can be claimed that the changes in organization that have been made have been made smoothly. While changes in organization were being made, we have not held up the essential work of getting on with the war.

And thirdly—and here I come really on to the subject of the Resolution—I think it may be claimed that the changes made have taken serious account of the public criticisms that have been made,—and particularly, if I may say so, of the three things which the Honourable Member has specifically brought to our notice,—(1) Indianization, (2) proper administrative control, and (3) the encouragement of Indian industry.

To deal first with the subject of Indianization. As I have said, the Department started from nothing. The first thing it did, inevitably I think, was to take over the small staff of the Principal Supply Officers Committee. That staff was entirely European.

Secondly, His Excellency the Commander-in-Chief agreed to hand over to the control of the Supply Department for the period of the war, the whole organization of the Director of Contracts. At that time, there were six officers in the Department, five Europeans and one Indian. I gave the figures the other day of the appointments since made. There are now 11 more Europeans ; there are 10 more Indians. And these Indians are commissioned officers in the army. I think the House has every reason to regard that as a satisfactory degree of Indianization. His Excellency the Commander-in-Chief, when it was put to him, readily agreed that the expansion of the Contracts Directorate afforded an opportunity for creating additional commissioned posts for Indians in the army ; and, as I say, out of 21 appointments made since the Directorate was taken over by the Department of Supply, there have been 11 Europeans and 10 Indians,—practically a 50 per cent. Indian recruitment, and the percentage of Indian officers in the Department has gone up from 16 per cent. to nearly 40 per cent. When it is remembered that the Directorate is a purely military organization, and was almost a purely European organization, Honourable Members opposite will admit that this is not a record of which the Department of Supply need feel ashamed.

Now, Sir, I come to the Secretariat proper. I did not wish to make reference to any individuals but in one instance I must now do so. The first thing that I did was to try and secure the services of the two officers who, within my knowledge, had given the greatest amount of thought and attention in peace time to problems of war supply. One of these, Sir, was Sir James Pitkeathly. The second was Colonel Wood, now Brigadier Wood, who was

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then serving with his regiment near the frontier. That was the original ground for Colonel Wood's selection in the Department and I think it was a reasonable ground. I may say that there is no officer in the whole Department whose services have been more valuable to the Department, and no officer who is giving the Government better value for their money.

I produced a statement of staff in March last which provoked some criticism. But, even in that statement, Sir, 50 per cent. of the officers in the

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Secretariat proper were Indians. In other words, the number of Indians was fully up to the proportion of Indians in the I.C.S. Since then I have produced another statement which shows that three out of seven appointments since made are of Indians. Two of the Europeans concerned are the Secretary to the Department and the Joint Secretary. I should like to explain that it is not so easy to get suitable Indian officers as the Honourable Member perhaps supposes. For the post of Joint Secretary a European was selected only after we had entirely failed to get an Indian officer out of other Departments. The Honourable Member has doubtless noticed that the other Europeans are not people brought in at the head of the department: they are the two most junior appointments.

I come now to the Indian Stores Department. That, again, is a Department which the Supply Department took over as a going concern. Not right at the beginning of the war, because we tried to make as little interference with existing arrangements as possible. There has been no attempt on the part of the Supply Department to set up any new organization to do work which an existing organization was already doing perfectly well. At the beginning of the war, the Indian Stores Department had 13 European officers and 47 Indian officers. At present it has only 11 European officers and has 84 Indian officers. Are there any complaints about that from the point of view of Indianization?

The next considerable category of staff which is now under the Supply Department consists of the Ordnance factories staff. The Department has recently taken that over, and again it is quite obvious that it had to be taken over as a going concern. I suppose nobody is going to suggest that we ought to have started by dismissing all the European officers, or even any European officers, employed in those factories, for the sole purpose of putting Indian officers in their place.

I then come to the staff of the two Directors General to which perhaps most attention has practically been given by the Honourable Mover of this Resolution. As regards the Director General of Munitions Production, some of his staff has inevitably come from the Railways because it was only in that Department that the experience required was available. Some of it has also come over with the Ordnance factory staff proper and from military sources. Generally speaking, his technical staff deal with heavy industries and engineering, which, as you know, are very largely in the hands of European firms. The technical knowledge which is necessary in these appointments—I do not say that it is a monopoly of Europeans in this country, but inevitably most of the experts in these matters are Europeans, and it is no use putting in these posts any but the best men that can be got. You will also find that competent Indians in this line of business are mostly doing a great deal better for themselves, with their scarcity qualifications, than they are likely to do in the Supply Department. It is very difficult indeed—not by any means easy, as Honourable Members opposite seem to suppose—to get Indians who are technically qualified for much of the work that is to be done in the Department.

The Director General of Supplies, who deals with matters other than the heavy industries and Ordnance factories, has also of necessity to have a good many technical men. I am perfectly ready to admit that when the Department was first started and competent officers had to be got in a hurry, I was thinking mainly of other things than Indianization. I was thinking of getting people who could do the job properly and could get it going as quickly as possible. But since these early days I can claim that we have been responsive to criticism made in this House and outside. I placed on the table of this House only the other day a list of further appointments made since last March and I think that roughly 50 per cent. of these were Indians—it was 21 or 22 out of 43. I do not, therefore, think that the record is a bad one.

I now come to the Provincial Controllers. The Honourable Member has admitted that 50 per cent. of those are Indians. It is true that he went on to say that the more important posts were in the hands of Europeans. That again, Sir, is inevitable for the reasons which I have given in dealing with the Director General of Munitions Production staff. The Controller in Calcutta has to know the ins and outs of trades which are largely in the hands of Europeans. That does not apply to Bombay, but at the time when this appointment was made, shipping difficulties were very much to the fore, and it was those difficulties which led to the appointment being made as quickly as possible, and the appointment made was, I think, in the circumstances, the best that could be made.

Lastly, Sir, he has referred again to the Advisers. It has been pointed out repeatedly both in this House and in another place that these Advisers are the free choice, as far as we can secure it, of the industries they represent. Their utility depends almost entirely on their having the confidence of the industry they represent. If they cease to retain that confidence, it is open to the industry to say we do not want this man, we want somebody else. But it is no use appointing a man simply because he is an Indian if he has not the confidence of his industry. In the case of the steel industry, which is as you know an Indian concern, we have from the beginning had an Indian Adviser. The Department has no objection to accepting an Adviser, whether he is an Indian or European, as long as he has the confidence of the industry that he represents. In the case of Leather, I have been asked why the Superintendent of the Government Harness Factory was not appointed as our Adviser. Well, if we had appointed him, we should obviously have had to appoint somebody else as Superintendent of the Harness Factory. In any case I do not see that this is relevant when the Honourable Member is discussing questions of Indianization, because that Superintendent is also a European. So it would not have met his point, and it would not have our needs because as Superintendent of the Harness Factory he has not to be in that close touch with the whole of the leather trade which is absolutely necessary in the case of our Adviser. I was also asked why we did not appoint an Adviser for tents. The answer is that we have more work in the matter of tents than we could justifiably call upon a non-official Adviser to do, and we therefore have appointed within the Stores Department our own officer to do this, and that officer is an Indian.

The question of salaries has been touched on, but in view of the statement which was made by the Honourable the Finance Member in the other House, that he proposes to permit the members of the Standing Finance Committee to go into all individual cases, I do not propose to go into any details here. It would obviously be improper for me to do so. I should only like to say that there is no possible objection to that on the part of this Department, and the Department welcome the announcement. But I must take exception to a suggestion which was made by the Honourable Mr. Sapru. I am quite aware

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there is a large body of opinion in this country which holds that the salaries of superior officers in this country are generally too high. It is unreasonable to expect me, simply speaking on behalf of one Department, to tackle that general proposition, but I am concerned to have it proved that the general level of salaries in the Supply Department is not higher than that in other departments of Government, and I am quite confident myself that if proper inquiry is made that will be the result.

THE HONOURABLE MR. HOSSAIN IMAM : Would he explain why the salary of the Deputy Director General of Supply is greater than the Director General's ?

THE HONOURABLE MR. H. DOW : I could explain that, but it would rather break the thread of my argument : if the Honourable Member will put down a question I will try to answer it on another occasion.

Sir, in the last session of this House there was one outrageous suggestion made by the Honourable Leader of the Opposition that a special cut ought to be put on the salaries of military officers who were recalled to duty. That suggestion was dealt with by the Honourable Finance Member very effectively. But the Honourable Mr. Sapru has made a very similar suggestion here, that is that officers working in a department which has to do with the prosecution of the war should for some reason or the other have a special salary cut or at any rate should have special reduced rates of salaries, merely I suppose to rule it into them that they were doing war work. Sir, I think that is an outrageous suggestion. The officers of the Supply Department have very little to gain by joining the Department except a great deal of very hard work and very long hours.

THE HONOURABLE MR. P. N. SAPRU : On a point of personal explanation, Sir. I do not think that they should get less salary than officers in other departments. I said that they should not get any increments because they are doing national work and that is their best reward.

THE HONOURABLE MR. H. DOW : I am glad, Sir, that the Honourable Member has already thought it well to modify what he did say to that extent. But certainly what he said in this House was that we ought to be content with a lower scale of salaries because we were doing work which was useful to the war. I think I am entitled to say that this is an outrageous suggestion, that a premium should be given to officers in other departments, a premium because the work they are doing is not directly useful to the prosecution of the war.

Now, Sir, I come to the second part of the Honourable Mr. Kunzru's Resolution, the securing of proper administrative control over different sections of the Department. It seemed to me that he was not very lucid on that point. No attempt was made to show that there was no proper administrative control over the various sections. As regards financial control I think there is no Department under a tighter control. We have officers of the Finance Department working in the various branches of the Department. There is a separate Finance Officer working in the Director General of Munitions Production's office, there is one with the Director General of Supply, there is one in our own Secretariat, there is one in the Contracts Directorate, and there is one in the Indian Stores Department. But I gathered that his principal difficulty was that he does not believe in decentralization, or at any rate thinks that we are taking this a great deal too far. On that point he

has been very largely answered by the Honourable Mr. Hossain Imam and by another speaker. He wanted particularly to know what class of cases the Directors General were able to dispose of themselves. I am not sure, but I think he objected in fact to the Directors General having in certain matters the powers of Government. Well, Sir, even an Under Secretary in the Government of India has the full powers of Government to the extent that he feels competent to exercise them. It is quite impossible for me within a short space of time to answer all the questions I have been asked, and go into details of the class of cases which the Directors General would normally deal with. They have with them not only officers of the Finance Department that I have mentioned but also regular officers of the Secretariat. It certainly was one of the objects in carrying out the reorganization under which the Director General of Munitions Production has gone to Calcutta that he should, as far as we feel he safely can exercise the powers of Government and enable things to be settled there without unnecessary references to headquarters. I do not know whether the Honourable Pandit Kunzru realizes that the greater part of our Ordnance factories, and almost the whole of the steel production, and of the engineering industry is located in or around Calcutta, and that the Director General has an advisory committee consisting of leading business men of Calcutta. As I have said, he has also full secretariat and financial assistance, and it surely is to the good that this measure of decentralization should have been carried out to enable work to be done more speedily. Another point which I might mention in connection with the administrative control is the way in which public opinion is brought to bear on the Department at every stage. We have an advisory committee with the Director General of Munitions Production. There is no single advisory committee with the Director General of Supply, but it is known to all of us that in the normal working of his branch there are a large number of what are in effect advisory committees constantly working with different sections of his office. Each local Controller has an advisory committee with him on which non-officials are represented. Lastly, we have just agreed to have a Standing Committee of the Legislature.

The Honourable Mr. Kunzru's third point is the development of Indian industries. The debate has taken a somewhat different turn from what I had anticipated it would do. There are as you know certain rules laid down for the Supply of Articles for the Public Service. Preference is given, *first*, to articles produced in India in the form of raw materials or manufactured in India from materials produced in India; *secondly*, to articles wholly or partially manufactured in India from imported materials; *thirdly*, to articles of foreign manufacture held in stock in India; and only *lastly*, to articles manufactured abroad and specially imported. I think no suggestion is made that an attempt is being made to go behind these rules. I hope not, because in these times it would be traitorous to the Empire for the Department to be deliberately trying to import goods from abroad, goods which are readily available in this country, at a time when the saving of shipping space is of vital importance. On the contrary, the Department has given an enormous impetus to the production of goods of all classes which were previously not made in India and can now be made. The purchase of these goods is made by open or limited tenders, and there is a growing of cases in which special negotiations are necessary. This last class has given rise to some suspicion and I shall refer to it later.

The suggestion, however, has been made that even in the supply of indigenous goods the Department somehow gives a preference to supplying firms

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which are not Indian. So far as I am aware the strictest impartiality is maintained, and no firm is at a disadvantage to compete for business or to secure orders by reason of its ownership or control being Indian. It is because this fact is entirely irrelevant, that no records whatever are maintained of the nationality of the supplying firms. I recently had a question put to me asking the nationality of such firms, and I endeavoured to explain why the information cannot be supplied. We have of course a record of important supplying firms, but there is no record of their nationality. It is obvious that many firms are partly controlled by Indians and partly by non-Indians. In the case of those concerns whose shares are freely quoted on the stock exchange, the proportion of capital owned by Indians and non-Indians varies from day to day. Also, are we to go by the ownership or the capital or the nationality or the managing agents? Honourable Members are aware that recently in the case of the Bombay Steam Navigation Company there was a controversy going on, in which it was maintained by one protagonist that this company was a British concern although 95 per cent. of its capital was Indian and the majority of the Directors were Indians, and, on the other hand, Indian business men of equal eminence maintained that it was purely an Indian concern. It will be quite clear from what I have said that it will be quite impossible, without an inquisitorial procedure and the laying down of a highly contentious criterion, to establish the nationality of the firms which have taken up the Supply Department's contracts. And this is required to be done merely to establish the truth or falsity of assertions made, so far as I am aware, without one jot or tittle of evidence to support them.

Sir, there is another point which was raised by the Honourable Mr. Kunzru to which I feel I must reply. He spoke as if there was a sinister plot going on to discredit the Indian Stores Department. Another Member spoke of the "charges" against the Indian Stores Department. Sir, the Indian Stores Department is the sword arm of the Supply Department (Hear, hear) and it would be most absurd for the Supply Department to try and weaken that sword arm just when it needs it most. It is perfectly true that from time to time the procedure of the Indian Stores Department comes up for review, and changes may be made. That is equally true of any other branch of the Supply Department. The Honourable Mr. Kunzru spoke as if he thought that the Indian Stores Department now has nothing or little to do with the giving of contracts.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : The Honourable Member is not right there. He is misinterpreting me.

THE HONOURABLE MR. H. DOW : The Honourable Member will have a right of reply. The other day I explained that the contracts given by the Supply Department had run into the figure of about Rs. 56½ crores, and that Rs. 44 crores of that had been put through the Indian Stores Department. Now, Sir, if there is this discrimination against Indian firms, how can he at the same time defend the Department which is responsible for making that discrimination? These contracts are placed through the Indian Stores Department. The personnel of that Department, as I have explained, is almost entirely Indian. It had, when it was taken over by the Supply Department, an Indian at the head of it who is certainly the last person to be associated with any discrimination of this kind in favour of Europeans. I know no—

THE HONOURABLE MR. HOSSAIN IMAM : Is he anti-Indian?

THE HONOURABLE MR. H. DOW : No, Sir, and I know no reason why such a question should be asked. Now, Sir, this scandalous imputation that favour is being shown to Europeans by the Indian Stores Department is made by the Honourable Member who in another part of his speech has shown himself a warm defender of that Department. I do not know how he reconciles the two things ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But I have brought no charge against the Indian Stores Department. It was very ingenious of the Honourable Member to say that I had brought any charge against the Indian Stores Department. I was referring to the demand of the European community as disclosed in the communication sent by the Upper India Chamber of Commerce to its member bodies.

THE HONOURABLE MR. H. DOW : The Honourable Member spoke at some length about the discrimination which he feared was being made in the matter of giving contracts to Europeans rather than Indian firms, and I am entitled to point out that if that aspersion is made, it is a very serious aspersion against the Indian Stores Department which is the Department which gives out those contracts, and I am entitled to defend the Department against any such charge.

Sir, we were also told by the Honourable Mr. Shantidas Askuran that, in regard to many articles, contracts had been given to firms although the Indian Stores Department had reported that those firms were totally unable to execute the contracts. Isn't he aware, Sir, that these contracts are given out by the Indian Stores Department itself ? It is an extraordinary suggestion that the Indian Stores Department is itself giving contracts to people whom it reports to be entirely unfit. The Honourable Member seemed to think that some outside authority was giving these contracts to undeserving firms in spite of the advice of the Indian Stores Department : nothing of the kind is going on.

Sir, I mentioned earlier that there is a certain class of cases which is removed from time to time from the tender system. It is no use, for example, calling for tenders for certain articles of steel that are required : we know perfectly well there is only one firm that is capable of tendering. And Members will readily be able to picture to themselves a large number of cases in which we cannot simply call for tenders and obtain what we want in that way. But this class of cases now comes under the expert scrutiny of the Controller General of Purchase, who was lately in charge of the Indian Stores Department. He is an Indian officer of long experience in the Finance Department, and is now installed right in the heart of the main supply secretariat, in order to give his attention very largely to advising the Department on that class of cases.

Well, Sir, I have dealt with, I think, most of the main points. I have no complaint against the criticism that has been made in this House, and I should in fact like to acknowledge here that not only in this House but generally outside, the Supply Department has on the whole had a good press. At a time when the Congress Party was still disposed to look with favour on the war effort of India there was even in that quarter a general disposition to admit that the Supply Department was doing its best. For reasons which it would be impertinent for me in my position to go into, that Party has recently decided not only not to aid India's war effort but to do what it can to actively discourage it. The Supply Department exists for the purpose

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of maintaining and developing India's war effort, and it is therefore not surprising that the Department has suddenly begun to *stink* in that Party's nostrils. I hope that the Supply Department will take this derisory epithet and turn it into one of honour. The proudest title of our army in the last war was that of the " Old Contemptibles ", which was conferred on it by its enemies. It is a source of pride to the Department that it stinks in the nostrils of those whose object it is to discourage resistance to the forces of darkness and barbarism which now threaten to engulf the world. I believe that all my officers are with me in the desire to become more and more a source of offence to these enemies.

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

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

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Mr. President, I do not want to prolong the debate but there are certain points in the speeches of the Honourable Mr. Richardson and the Honourable Mr. Dow which call for a reply. I am sorry that the Honourable Mr. Richardson is not in his seat, but the House will remember that he disclaimed any desire on the part of Europeans to prevent the appointment of Indians in the Supply Department and expressed his regret that racial feeling had crept into the discussion of this subject. I am glad that he was able to say authoritatively that there was no desire on the part of the Associated Chambers of Commerce to diminish the importance of the Indian Stores Department. But the fear that the European Chambers of Commerce were dissatisfied with the Indian Stores Department was the result of the communication issued by the Upper India Chamber of Commerce. Mr. Richardson said he was not responsible for it. We did not know what his attitude was. But, as the statement was not contradicted, we assumed that it represented the opinion of all the European Chambers of Commerce. Had it been contradicted, there would have been no occasion for any reference to it in this debate. As for the racial feeling that according to Mr. Richardson has been expressed during the course of this debate, I ask him to ponder over the figures mentioned by me. Had there been a Federal Government and had it appointed persons to the Supply Department in such a way—as to exclude Europeans as practically Indians have been excluded now—what would have been the feelings of the British community? Would not the action of the Federal Government have been regarded as a sure sign of anti-British feeling? Would it not have been made use of not merely in this country but also in England to show that the transfer of power into Indian hands was a great mistake and that the first use that the Indians had made of it was to harm British interests?

THE HONOURABLE SIR MUHAMMAD YAKUB : As they were doing during the Congress regime.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : The Congress is on the brain of my Honourable friend, and I am afraid he has got into the habit of making interjections that are almost always irrelevant. I do not, therefore, propose to take any notice of his present interjection.

THE HONOURABLE SIR MUHAMMAD YAKUB : Not more than you, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But, to proceed with what I was saying, it would have been surprising if in the existing state of things, the state of things disclosed by my speech, Indians had remained quiet and not brought their grievances, well-founded and acute grievances, to the notice of this House and of the Government. They have been too patient. That is the only fault they can be charged with.

Sir, my Honourable friend Mr. Dow has proceeded very cleverly in dealing with my Resolution. In the first place, he dwelt on the Indian and British personnel employed in the Contracts Directorate. Then he gave us figures regarding Indians and Europeans in the Indian Stores Department. Frankly, I do not think that it was fair on his part to do so. The reason is this. In answering on the 19th instant my question in reply to which he laid the statement regarding the recent reorganization of the Supply Department on the table he said :

"The required information is given in the attached statement. The staff taken over from the Defence Department (Army Headquarters and Air Force Headquarters) have not been included".

It was further obvious from the course of the debate and from the fact that I was quoting figures only from the statement supplied by the Honourable Member that I was referring not to the Contracts Directorate or to the Indian Stores Department but to what I might call the Supply Department proper, apart from the two Departments that it has taken over and which existed before it came into existence. There was nothing wrong in my omitting to take these Departments which he did not include in his own statement into consideration. Indeed, I think I was perfectly right in doing so. Not content with dealing with those Departments which he knew were really not in issue, he has, in order to show that a substantial percentage of Indians is employed in his Department, included in his reckoning persons who do not occupy high posts. I made it clear in the course of my speech that I was referring to the occupants of superior posts only. Now, my Honourable friend said that in the Supply Department, even in March, 1940, there were 50 per cent. Indians, and that after the reorganization, even in the Directorate General of Munitions—am I right—the percentage of Indians to the total personnel was 50.

THE HONOURABLE MR. H. DOW : I did not say that. I was referring to the Secretariat proper.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Well, as regards the main Secretariat, I pointed out that two or three more Indians had been employed in it. My complaint referred mainly to the Directorate General of Supply and the Directorate General of Munitions. My Honourable friend has not dealt with that, but by taking into account Indians who cannot fairly be regarded as holding superior posts made out that 50 per cent. of the personnel in his Department is Indian. If the superior posts only are taken into consideration I make bold to say that the statements I have made cannot be challenged.

I should like to say a word about his defence of the manner in which the Controllers of Supplies and Advisers were appointed. He said with regard to the heavy engineering industries that they were largely in the hands of Europeans, although they were not by any means a European monopoly, and that therefore it was not surprising that a European well acquainted with such industries should be appointed as an Adviser. I should like to ask him then what are the reasons on which Government have employed

[Pandit Hirday Nath Kunzru.]

two European Inspectors in connection with the mica business ? Are Indians interested and heavily interested in this business or not ? I know that they are not satisfied with the present arrangements and I should like to know on what grounds in this connection too only Europeans have been employed ? I draw the attention of my Honourable friend Mr. Richardson to this fact because he deplored this morning that racial feeling had crept into the discussion of this question. Take again, Sir, the Controller of Supplies in Bengal. Mr. Dow said that as the Department was organized in a hurry it was almost inevitable that those people should be appointed who were conversant with the state of things in Calcutta. Now what is the previous experience, what are the special peculiar qualifications of the Controller of Supplies in Bengal for the post to which he has been appointed ? His name is Colonel Marriot. He was on the Special Unemployed List. That means I suppose that he is one of the 400 officers who were retired in 1935. He was getting a pension of about Rs. 600 according to the information supplied to me by Mr. Dow. He was appointed Deputy Director on a salary of Rs. 1,530, but is now getting about Rs. 2,100. Can this appointment be justified in any way ? Had an Indian been appointed in that manner let the Europeans present ask themselves what their feelings would have been. Would they have had any trust in the Department responsible for making such an appointment ? I am sure they would have been indignant. Yet we have shown more patience. We have not accused the Vice-President of the War Supply Board of any improper motives. But no one here has the right to complain if we bring such appointments to the notice of the House and strongly protest against them.

The illustrations I have given show the absolutely unconvincing nature of the reply given by the Honourable Mr. Dow in defending the appointments that have been made. The position, generally speaking, that he took up was that the best available men were employed, and he made this remark particularly in connection with the appointment of a British officer as Joint Secretary in the main Secretariat. I do not know what search he made for a suitable Indian officer. But the remark that suitable Indian officers are not available has become too common here. It is a stock reply to all objections raised owing to the exclusion of Indians from responsible positions. I was sorry to hear even my Honourable friend Mr. Richardson use that stock argument. No Indian, however ardent an advocate he may be of Indian rights, would ever suggest that an inefficient Indian be appointed even to a minor post. To tell us therefore that only suitable Indians can be appointed to responsible posts is to insult us. We are aware of this when we ask for the appointment of Indians to responsible positions, but we decline to believe that suitable Indian officers cannot be had for posts like those we are discussing or for any post whatsoever.

Sir, I should like to say just one word with regard to the question of control over the Directorates General of Supply and Munitions. Mr. Dow took my remarks to mean that I was against decentralization. He was absolutely unjustified in drawing any such conclusion from my remarks. Decentralization is necessary not merely in war time but in peace time. Excessive centralization is always bad. But we cannot in the name of decentralization accept any arrangement that may be made, and if in the name of decentralization at the present time the Directorates General of Munitions have been made virtually independent of the control of the President of the Supply Board, I say the arrangement is one that is indefensible. I am quite certain that decentralization can be reconciled with proper control.

I gave illustrations to show what I meant when I criticised the present system and I think we are entitled to have a more satisfactory answer from Mr. Dow than he has so far given.

I do not think there is anything more in Mr. Dow's remarks that calls for a reply, but perhaps I may refer, before I sit down, to the accusation that he brought against me that I had no confidence in the Indian Stores Department. That was a very ingenious argument. I think he used it only because he had nothing better to say. Our complaints, or rather the complaints of Indian businessmen is that Indians are not receiving orders in the volume which they are entitled to expect by virtue of their position in the business world. This feeling can be satisfactorily allayed only when the necessary figures are made public; but the Honourable Mr. Dow says that there are no figures to be placed before the public and that no statistics have been prepared showing the nationality of those to whom contracts have been given. I made a suggestion in this connection the other day which I would venture to repeat today. The number of firms to which contracts have been given is not large. He can easily publish their names and state the total value of the orders placed with each of them. In that case only I think will he cease to be troubled with the complaints that have been voiced time and again in this House.

Sir, although the reply given by Mr. Dow was not as satisfactory as I would have liked it to be I still hope that in view of the importance of the matter he would be prepared to accept my Resolution. He has himself acknowledged that the Department was organized in a hurry and has very frankly said that when he organized it he was not thinking of Indianization. Apart from this he has shown himself to be friendly to the Indian Stores Department and he desires to set at rest the suspicions that are entertained by Indians regarding the Supply Department's activities. This is what leads me to hope that he will yet see his way to accept my Resolution and thus give satisfaction not merely to this House but also to the wider public outside it.

THE HONOURABLE MR. H. DOW : Sir, I have very few remarks to make. Sir, the Honourable Pandit Kunzru has suggested that in my presentation of the case as regards Indianization I was rather unfair. The burden of his complaint was that as he had not referred to in his opening speech to the case of the Contracts Directorate of the Indian Stores Department, therefore I ought to have left them out too. The Contracts Directorate and the Indian Stores Department are both integral parts, and very important parts, of the Supply organization, and I would ask the Honourable Pandit Kunzru, if the facts had been otherwise than I have shown them to be, whether he would not have referred to these organizations? If, for example, the facts had shown that since the Contracts Department came under the aegis of the Supply Department, there had been no progress in Indianization but that the Department have gone back; if he had been able to show in the case of the Indian Stores Department, instead of fast progress being made in Indianization there had been a setback, and that we had appointed a large number of European officers and decreased the number of Indian officers, would he not have referred to it?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : On a point of personal explanation; because I did not know that Indians had been employed to a larger extent in the Contracts Directorate as pointed out by the Honourable Member this morning, yet I refrained from dealing with that Department because I regarded it as separate from the Supply Department.

THE HONOURABLE MR. H. DOW : I can understand that. But I do not regard it as separate from the Supply Department : it is an integral part of the Department. As I say, if the Honourable Member had been able to show that instead of more Indianization taking place, the reverse process had been in operation, does anyone believe that he would not have referred to it ? When the reputation of the Department in this respect is sought to be denigrated, I am entitled to show that there are certain white spots. There is one other point. He said that I have shown in the statistics a number of persons who did not hold very high posts. When I am asked to produce a statement, the form of the statement is settled by the person who asks the question, and I am bound when I am asked for an answer in a particular form to give the answer in that form. As to the fact that a large number of Indians in the Supply Department are in lower posts, Honourable Members will realize that when the country is embarking on a policy of Indianization, which after all is comparatively recent, it is only natural that a larger proportion of the new posts occupied by Indians should be at the bottom and not at the top. Even Napoleon did not start as a Marshal of France, and had to work his way up.

The Honourable Mr. Kunzru referred to one of the Controllers of Supplies, who is a retired officer, and he thinks that because this man bears comparatively humble rank in the army—a major—he is highly paid because he is now getting in Calcutta total emoluments of Rs. 2,100. The gentleman in question left the army of his own accord some years ago. He went into business in this country and at the time war broke out he was summoned back to service. He was at that time earning a sum in private life very considerably in excess of the salary which he drew from the Military Department when he was recalled. There is nothing peculiar in that : it is the case of a very large number of military officers, possibly of most of them who are recalled to military service. This particular officer had considerable experience in the Department of the Master General of the Ordnance in regard to stores and he also had experience of ports and embarkation work. They were qualifications which, at an early stage (and he was one of the first officers who joined the Department), were very necessary for us to obtain. What, I suggest, was more natural than that we should get this officer from the army to which he had been recalled and employ him in the Department ? He there drew when he started the pay of a staff officer of his rank, the pay that he would have drawn in the same rank had he been actually working in Army Headquarters, —which I think was something in the neighbourhood of Rs. 1,570 a month. He is one of the most zealous and hard-working and useful officers that we have, and when he was transferred to Calcutta on promotion he went to a place of increased responsibility for which he had shown himself thoroughly fit. He had to break up his home here. He has been sent to a more expensive place and a worse climate, and I am not prepared to admit that the small increase in emoluments that he thus obtains is at all unreasonable.

Then the Honourable Mr. Kunzru asked whether if an Indian had been similarly appointed he would have been treated so generously. I can certainly say that he would. And indeed it is, I think, the first time that the allegation has been made, in respect of the Indians who have been appointed to this Department, that in matters of pay they have been given smaller increases or treated less generously than the European officers of the Department.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I did not say that.

THE HONOURABLE MR. H. DOW : No, Sir. I said that this allegation had not been made. But in speaking of this particular appointment the Honourable Member did suggest, or I understood him to suggest, that if an Indian had been appointed he would not have been treated so generously.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I said his appointment would not have been received so favourably by persons who deplore the expression of views which seem to be based on racial grounds.

THE HONOURABLE MR. H. DOW : Well, Sir, I accept the explanation that is made, but I must say that I was not aware that this particular appointment had been received either with favour or otherwise on any side of the House.

Another particular case referred to in which he considered that what I said this morning was unsatisfactory was the appointment of a Joint Secretary. A European officer has been appointed to that post. I may say that the immediate reason for appointing an officer in that capacity was the great influx of work connected with the Eastern Group Conference, and that this officer, in addition to his duties as Joint Secretary in the Department was to be Secretary to this Conference. I am glad to be able to give a fuller account of this because there was a question put down in the name also of the Honourable Mr. Kunzru this morning suggesting that there had been a desire to exclude Indians from the Secretariat of this Conference. From the beginning we tried to get an Indian officer as Secretary to that Conference. I hope that will dispose of the allegation. We were unable to get a suitable Indian officer. I can mention two of the officers, Indian officers, whom we tried to get. One of them was Mr. Pillai, Joint Secretary in the Commerce Department. The Commerce Department, as I can quite easily understand, felt themselves unable to spare his services. The next officer that I tried to get was Mr. Gorwalla of the Communications Department. The same objection, which I can quite understand and sympathize with, was raised by that Department. The Indian officers of the I.C.S. are valuable officers and they are very difficult to get hold of. It is difficult, indeed, to get hold of any officers in the I.C.S. either from other Departments of the Central Government or from other provinces, and as a matter of fact the officer finally secured was at the time on leave and was specially recalled to take up this post. Every effort was made to get a suitable Indian officer in the post.

Lastly, I must refer again to this question of the Indian Stores Department. Suggestions have been made that there is some deep-laid plot in the Supply Department for disintegrating and disbanding the Indian Stores Department. The Indian Stores Department has only been handed over to the Supply Department for the period of the war, and an undertaking has been given to the Honourable the Commerce Member that the Indian Stores Department at the end of the war will be handed back to him. Any major changes proposed in the organization of the Indian Stores Department, which are at all likely to affect its organization and character at the time it is handed back, are placed before the Honourable the Commerce Member before they are put into effect and the Honourable the Commerce Member is able to satisfy himself that they are not going to affect the permanent organization of the Department when it goes back to him. That, I suggest, ought to dispose of the suggestion that we do not want to strengthen, rather than to weaken in any way, the hands of the Indian Stores Department.

But the war has presented new problems. It is not to be supposed that the Indian Stores Department can deal with the vast masses of business which it has to deal with now compared to what it handled in pre-war days,

[Mr. H. Dow.]

without some changes in its organization. But the changes that are made are no indication, on the part either of Government or of any body of European business men, of a desire to weaken in any way the Stores Department. The Honourable Mr. Richardson pointed out certain complaints which European Chambers were asking to be investigated and referred to letters which have emanated from the European Chambers of Commerce. I may say that I have recently been down to Bombay, and I have had exactly the same kind of complaints made by representative associations of Indian business men, such as the Millowners' Association. I have heard these complaints in letters from both Europeans and Indians, and if there were no heading to these letters, there would not be a shade of odds in attempting to guess whether these letters had emanated from the European or the Indian business community. I think it is a pity—I make no insinuation about it, because I feel convinced that it is only lack of information that has been responsible—that such a suggestion was made in the first instance. There are difficulties of course which have to be faced. An institution of the size of the Supply Department, which has grown up quickly, is not likely at this early stage at any rate, to be entirely without growing pains.

Sir, I began by saying that I was glad of this opportunity of meeting some of the criticisms that have been made against the Department. Criticisms from all sides of the House have been fair in intention. I think that in some cases they have been mistaken, and I have tried to show what some of these mistakes are. But I do realize that they have been made with the object of making our contribution to the war more efficient. The Department has profited so much by criticisms that have been made in the past, that it would be most ungracious, as well as most unwise, for me not to pay very careful attention to what has been said in this House. (Applause.) If I had been asked to make a statement of the principles on which we are trying to run the Department, I feel that I should have included in it much of what the Honourable Mr. Kunzru has put in his Resolution and some of what was in the Honourable Mr. Sapru's Resolution which was not moved. I should like to say that if the Honourable Mr. Kunzru will accept a small emendation, which I suggest, to his Resolution, and which is mainly a matter of phraseology and does not, I think, go to the root of his Resolution, I shall be very pleased to accept it on behalf of Government. The wording which I suggest to the Honourable Member is this :

" This Council recommends to the Governor General in Council that early steps be taken to secure that the Supply Department is so organized as to safeguard and promote Indian industries by....."

and the rest of the Resolution as framed by the Honourable Member.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Sir, I gladly accept the change suggested by the Honourable Mr. Dow, because, as he himself has said, it does not affect the purpose of the Resolution in any way.

THE HONOURABLE THE PRESIDENT : Resolution moved :

" This Council recommends to the Governor General in Council that early steps be taken to secure that the Supply Department is so organized as to safeguard and promote Indian industries by—

- (a) the employment to important posts of an adequate number of Indians drawn from the services and from the business organizations ;
- (b) proper administrative control of the different sections of the Department ; and
- (c) enforcing the policy clearly laid down in regard to the development of Indian industries when the Indian Stores Department was constituted. "

Question put and Motion adopted.

RESOLUTION *RE* SUPPLY OF RIFLES AND AMMUNITION TO MILITARY SCHOOLS.

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

" This Council recommends to the Governor General in Council that service rifles and ammunition be given free of cost to all military schools in India."

Sir, in this connection I had asked some questions in 1938 and I got the information from Government that Anglo-Indian and European schools were supplied with rifles and ammunition free of cost. The answer was like this :

" Service rifles and ammunition are supplied free to the following schools in India".

There are about 25 schools mentioned and these are all European or Anglo-Indian schools. Sir, in the Bombay Presidency we recently, i.e., about four or five years ago, started a military school, namely, Bhonsla School, with a view to train candidates for the Dehra Dun Military Academy. The object of the school is to train youths of all castes and creeds in India in military education so that they may equip themselves for being suitable candidates for the Military Academy at Dehra Dun. There is also another school which was started after the last war in Poona which is called the Shivaji Military School. The management of these schools applied to Government to supply them with rifles and ammunition free of cost as they have been supplied to the Anglo-Indian and European schools in India. I do not know on what ground their request was refused, but I submit that at least in this matter there should be no racial discrimination. We have heard a lot about racial discrimination in the last Resolution and I believe Government would avoid this vicious principle at least in matters of education. It may be said, as I find from the reply given to me in 1938, that these 25 schools—the list of which has been given—maintain cadet companies of the Auxiliary Force in India, and therefore these service rifles and ammunition were given free of cost to them. But I submit that these two schools are also started with the view of giving suitable candidates to Dehra Dun and therefore there should be no distinction between them and the others in this matter. I took up this question at this time particularly because I find that they are not getting a sufficient number of young men for emergency commissions, for which they have to get men—if my information is correct—from Ceylon, Hong Kong, Saigon, Burma, etc. They are importing Europeans from there for emergency commissions.

THE HONOURABLE LT.-COL. SIR HISSAMDUDIN BAHADUR (Nominated Non-Official) : The last time I saw them there were 160 Indians as emergency commissioned officers with not a single European among them.

THE HONOURABLE MR. V. V. KALIKAR : You can get any amount of Indians—suitable Indian boys—and therefore I say why do you want to import Europeans from outside ? Let Indian youths take their proper share not only in the defence of their country, but let them be enthusiastic about defending the Empire. That is my point. My point is that the Government should not put obstacles in their way if they really desire to defend their country. You can get a sufficient number of boys in India for entering the officer ranks. If the management of these two schools have started in right earnest to give you suitable candidates, instead of putting obstacles in their

[Mr. V. V. Kalikar.]

way you should encourage them. You should try to create enthusiasm amongst them and make an impression on them that you are sympathetic. I do not think it is a controversial matter. I believe it is a very small matter and the Resolution is a very innocent Resolution. I am very sorry, Sir, that I have to come to this House to say these things in the form of a Resolution, but as the Government did not yield to the demand of the management of these two institutions, I had to come here and ask Government to change their policy and accept the Resolution as moved by me.

With these words, Sir, I move the Resolution.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, I desire to give my whole-hearted support to the Resolution moved by my friend the Honourable Mr. Kalikar. The Resolution does not really need much explanation. What it asks is that service rifles should be supplied free to all military schools. The Honourable Mr. Kalikar has explained that service rifles and ammunition are supplied to Anglo-Indian and European schools free. There is a list of about 25 such schools which get free supplies of ammunition and service rifles. He has referred to two schools which have been started for military training. There is one in the Bombay Presidency and there is also another, the Bhonsla Poona School in the same Presidency. It appears that the management of the Bhonsla School applied to Government to supply them with free ammunition and rifles and the request was refused. Now, Sir, why is there this racial discrimination? Why is the Anglo-Indian, who is a European for certain purposes and who becomes a statutory native of India for certain other purposes, given preferences over the Indian? Why is the Anglo-Indian youth treated as a sort of real son and the Indian youth treated as a step-son? I should have thought that in matters of this kind there would be no racial discrimination. We are told every day that there is no racialism in this country. Here is one instance of racialism which has been brought to the notice of the Government by the Honourable Mr. Kalikar, and we want an explanation from the Defence Department, which has never shown any real desire to co-operate with us, as to why there is this discrimination? Either you must supply rifles to nobody—I can understand that position—or you must treat the Anglo-Indian and the Indian schools in the same manner. These schools are feeder schools for the Dehra Dun Academy. These schools are training the youths for the Dehra Dun Military Academy: they are doing
4 P.M. good work. Therefore they have a claim on us.

There is another point to which reference was made by the Honourable Mr. Kalikar and about which I would like to say just a word or two. Europeans are being imported from various parts of the colonial empire, from Hong Kong, Ceylon and from Burma, which is no part of India, for service in British India for emergency commissions. Now, Sir, we have a sufficient number of young Indians to supply you with the material for these emergency commissions. I think my Honourable friend Sir A. P. Patro, loyal as he is to the British Empire, but disloyal as he is to his own country, may say that there is not sufficient material in this country to supply you with good emergency commission officers. We who believe in the Indo-British Commonwealth of Nations take a different point of view. We say you have got good material in this country. One great charge, one great indiotment that we have against you is that you have not utilized even in war time the manhood of India for service in this war. Sir, I consider it wrong that Europeans should be imported from the British Isles—it is bad enough if we do import from the British Isles—I consider it wrong all the more that Europeans should be imported from that tiny little island of Ceylon, which will not admit our

people on equal terms, and from Burma which has not been too friendly to us after separation, and from various other parts for emergency commissions in India. These are really the things which have determined our attitude towards the big questions raised by yesterday's discussion. I would like a clear answer from the Defence Department. It is our test Resolution and we would like to see how the Defence Department deals with this Resolution.

With these words, Sir, I support the Resolution.

THE HONOURABLE THE PRESIDENT: I want to point out that I have noticed a tendency in this House of Honourable Members making personal attacks on each other which is not only undignified but entirely unparliamentary. Also it is prohibited under the Standing Orders of the House. I wish to draw the attention of the Honourable Members to this matter and I hope that in future this objectionable practice will cease.

THE HONOURABLE SIR A. P. PATRO (Nominated Non-Official): Sir, I do not want to exhibit my want of sense of responsibility or of seriousness in the debate. It has been the characteristic of certain Members of this House, as you have rightly pointed out to take everything in a light-hearted manner of the type of buffoonery. Here we have got a very serious subject, namely, the recruitment of young men into the military line and the preparatory schools should be encouraged. The Honourable Mover referred to one institution, namely, the Shivaji School at Poona. That school was organized by the contributions and patronage of four of the Mahratta rulers and princes. The contributions so made enabled them to have a very fine building and well equipped with all the necessary equipment for military training supervised and controlled by a European who has had military service and whose services were secured for the purpose of training the young men. He and his assistant are there in order to train young men. We have seen the school ourselves and we saw the young men from various parts of India; they came from Madras, from the Central Provinces and also from several districts of Bombay. Thus this institution is not of a mushroom type, nor one of those schools recently started by political agitators in the name of giving them military training. On the other hand it is opened on very sound foundations governed by responsible persons, who are also responsible for the conduct of the young men. They teach up to the matriculation or school leaving standard during this period. There are several standards: one of the standards is that after two years they have to go through the riding course. They maintain a stable which supplies these young men with animals to do riding in certain hours of the week. Not only riding but with dummy rifles which they have prepared, they have to undergo a course of training. This institution, in addition to military drill and riding, has also other equipment, namely, running with necessary baggage. These are the matters which were demonstrated to us. When the Adjutant General of India was present demonstrations were given by the boys and he was perfectly satisfied with the physical training, discipline and physical character of these boys. If such an institution is to be denied the right of being given training in the matter of munition rifles it will be a great pity. On the other hand I do not agree with him when he said that 25 institutions are already supplied and they are making racial discrimination. I do not think there is any such suggestion in that because those institutions were organized long before this and the headmaster of the institution applied for such liberty and the supply of arms long before this institution was started and there is a continuous supply. As we know in officialdom tradition becomes everything. They have supplied this to the new institution, therefore they look upon it with suspicion, and they would like to have

[Sir A. P. Patro.]

more satisfactory grounds for sanctioning free munition rifles. That may be the real cause of any racial discrimination. In fact, the question then discussed was what are the schools that should be recognized for the purpose of military training and, I think, should act as feeders to the Military Academy. That was the question that was discussed at the time and during the discussion we had to see institutions like these and to be satisfied whether there was sufficient organization, sufficient stamina and stability in the institutions. We saw that this was one of the institutions that could maintain itself along with institutions managed by European headmasters. Therefore, if proper application is made, I am sure the military authorities will try to recommend to the Government that this is one of the institutions that they must support. Not because of any racial discrimination. I think the suggestion is quite wrong. Because those institutions which in evidence I saw belonged to various parts of Northern India and there were Christian missionary organizations some of them. Therefore, there is absolutely no doubt that no danger is going to come from it. All that is wanted is that the Indian Academy should receive such young men who have received preliminary training and had such military discipline earlier so that they may qualify themselves for entrance in this. And this is one of the institutions which answers the purposes of the Government. Therefore, if this institution is denied, I should indeed be very much disappointed with the conduct of the Government.

THE HONOURABLE MR. A. DEC. WILLIAMS (Nominated Official): Sir, I feel that I cannot do better than to follow the example of the Honourable Mover of this Resolution from the point of view of brevity, of temperance and, if I may say so, of relevance; and to disregard the heat which has been imported into this discussion since the Honourable Mover resumed his seat. Now, I hope to be able to convince the Council that there is no question, there never has been any question whatsoever, of racial discrimination.

But as a preliminary I think it is necessary to get it clear as to the classes of schools to which Government do issue these arms free of charge. There are, broadly speaking, two classes. There are the schools which might be properly described in the language used by the Honourable Mover as "military" schools. I refer, for instance, to the Lawrence Schools at Sanawar and elsewhere. Now, those schools are run by Government for the children of British soldiers, not necessarily as recruiting grounds, though it must be acknowledged that they make very good recruiting grounds. These schools do receive arms free of charge.

THE HONOURABLE MR. HOSSAIN IMAM: They are open to all classes of Indians?

THE HONOURABLE MR. A. DEC. WILLIAMS: I am coming to that. These schools are for the sons of European soldiers. Now, in this respect there is absolutely no question of discrimination inasmuch as a similar series of schools—the King George's Royal Indian Military Schools at Ajmer, Jullundur and Jhelum,—are run for the children of Indian soldiers and these institutions also are issued—(An Honourable Member: Is the King George's School open to all classes of Indians?) I don't say all classes of Indians, but they are open to Indians—and they are also issued with these arms. So I maintain that, so far as what Government would describe as "military" schools are concerned, there is no discrimination whatsoever.

I now come to the other class of schools, the class of schools of which particulars were given some time back in answer to a question. They are some 25 in number and they maintain what are described as "cadet companies" which are affiliated to units of the Indian Territorial Force. But there is a distinction here again. The "military" schools keep their own rifles; these schools do not keep their own rifles, though they have the use of them. The rifles are kept in the magazines of the units to which they are affiliated. In every case, the basic requirement of Government is that these rifles should only be issued in cases where there will be efficient officers and efficient instructors. Therefore, before any school can become affiliated in this manner, it must satisfy certain requirements. The boys must be of a certain age. The school must be prepared to provide officers in the opinion of Government suitable to instruct and take charge of the cadets. The schools must provide and pay for instructors. Further, the school must be situated within a reasonable distance of the depot of the unit to which it is to be affiliated in order that the boys may get to the depot to get their rifles out and return them the same day. These are all requirements on which Government must insist and have insisted in the case of each of these 25 schools, before the school in question can have a cadet company affiliated to the Territorial Force. It may be, it is, a fact that these schools are regarded as European or Anglo-Indian schools. Some of them may take in Indian boys. As to that I do not know. But there is absolutely no bar if—I am afraid I must say "if"—any Indian school can satisfy these conditions, to its putting in an application for affiliation; and I can give an assurance to the Honourable Member that if these conditions are satisfied, Government will most certainly give the most favourable consideration to the application—subject always to one over-ruling consideration, and that is the requirements of the present war. I am not trying to put the Honourable Member off. Government are willing to give the most favourable consideration to any such application.

As regards the two institutions named by the Honourable Member, the Shivaji School and Dr. Moonje's School, I am not in a position to say whether they fulfil these requirements. I am not sure; but I had the impression that possibly the boys are not sufficiently old or that they are not in a position to provide their own officers or instructors. But I have stated the requirements which have been fulfilled by 25 schools who have these "cadet companies" and I have given the assurance that, if any Indian school can put forward a concrete application and show that it has these qualifications, it will receive very favourable consideration.

THE HONOURABLE MR. V. V. KALIKAR : I am glad, Sir, to learn from my Honourable friend Mr. Williams that there is no question of racial discrimination. He wants certain conditions to be satisfied and then Government will consider the demand of these schools. So far as the Shivaji Institute is concerned, I am very glad to find support from a certain quarter from which we never get it. I am very thankful for this support. So far as the other school is concerned, I may inform the Government that the school was started above five years ago. They have got boys who are of the age which Government requires. They have engaged retired Viceroy's commissioned officers on the recommendation of the Defence Department of the Government of India. If the Government of India have not got a sufficient supply of rifles on account of the war this time, I hope they will consider the application favourably after the war or as soon as possible after the Defence Department gets a sufficient supply of rifles and if they can spare those rifles for the Institute.

[Mr. V. V. Kalikar.]

Sir, as the Government reply is very conciliatory, I beg leave of the House to withdraw my Resolution.

The Resolution was, by leave of the Council, withdrawn.

RESOLUTION *RE* NATIONALIZATION OF ESSENTIAL AND KEY INDUSTRIES, ETC.

THE HONOURABLE THE PRESIDENT : Honourable Mr. Hossain Imam, your Resolution is likely to take a very long time for discussion. I would, therefore, advise you to read your Resolution today, so that you will not lose your priority, and your own speech on the Resolution and the discussion on the Resolution can proceed on the next non-official day.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muham-madan) : Thank you, Sir. It is rather late, and I would also like to postpone my speech to the next non-official day.

Sir, I move :

" Whereas it is necessary to stimulate the war efforts and to get the maximum results from the slender resources of India, and whereas it is desirable that extraordinary methods be adopted, this Council recommends to the Governor General in Council the following measures for adoption as far as practicable and advisable :

- (a) the nationalization, at least for the duration of war, of all the essential and key industries ;
- (b) the imposition of a 100 per cent. excess profits tax on a more equitable basis than the present ;
- (c) the suspension for the duration of war of the consolidated payment to the provinces on account of the income-tax and railway receipts ;
- (d) the revaluation of gold in the Reserve Bank at 140s. per ounce ;
- (e) the Indian Sterling Loans to be made eligible as Rupee papers for the issue Department of the Reserve Bank of India and the proportion of Government Paper to be increased from 25 per cent. to 33 per cent."

The Council then adjourned till Eleven of the Clock on Wednesday, the 27th November, 1940.