

Tuesday, 24th March, 1942

COUNCIL OF STATE DEBATES

(OFFICIAL REPORT)

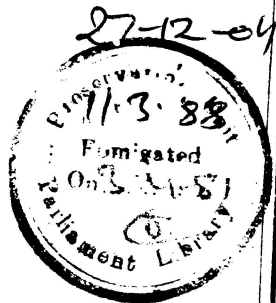
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(18th February to 2nd April, 1942)

ELEVENTH SESSION

OF THE

FOURTH COUNCIL OF STATE, 1942



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COUNCIL OF STATE

Tuesday, 24th March, 1942.

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

MEMBER SWORN :

Sir Gurunath Venkatesh Bewoor (Nominated Official).

INDIAN FINANCE BILL—*contd.*

THE HONOURABLE RAI BAHADUR SATYENDRA KUMAR DAS (Nominated Non-Official) : Sir, the financial proposals of the Government of India have to be considered against the background of the war which has all but reached the shores of India. I come from Eastern Bengal, a part of the country which is likely to bear the full brunt of hostilities once war bursts upon India. The countryside in Eastern Bengal is intersected by numerous navigable streams which might afford special facilities for infiltration by the Japanese, and we should like to be assured by the Government that adequate steps are being taken for the purpose of protecting this vulnerable area against enemy action. The continuous successes which the Japanese have achieved in the Far East as well as in Burma, have considerably shaken the confidence of the people in the strength of the British arms. Indeed, the prestige of the British Government in India never stood lower than at present, ever since the Mutiny of 1857. The people at large read the signs and portents of the times and are in a state of extreme nervousness as regards the safety of their hearths and homes. It is widely believed that the military preparations of our Government are inadequate for the purpose of meeting the menace of Japanese invasion. An emasculated people who had been taught to rely on a foreign Government for their protection, now find themselves in a position of utter helplessness. Apart from the weakness of the Government in the field of battle, the moral foundations of the Government in India have been rudely shaken by reason of the short-sighted policy followed so long in promoting disharmony among the different communities and sections of the people. Belonging as I do to Dacca, I cannot refrain from recalling the most painful episodes that happened not long ago in that city when the local officials connived at organised arson, loot and murderous assaults as a part of the policy of divide and rule. In broad daylight and right in front of the Police Office in the town of Dacca, fire was set to a row of shops while the district authorities looked on in a spirit of unconcern and went on smoking a cigarette. Business houses in another locality were gutted under the very nose of the police authorities who did not take any notice of the incident, though the fire continued for a considerable time and large stocks of articles were looted with impunity. It is strongly believed that these and other incidents that happened in Dacca Town and some parts of the interior of the Dacca district, formed part of a

[Rai Bahadur Satyendra Kumar Das.]

regular plan to promote communal bitterness and to strike terror into the hearts of the Hindus. Officials guilty of such enormities cannot now expect to inspire any respect or confidence of the people, and it is idle to expect that they will be able to rally the different sections for the purpose of organising measures of civil defence. Straightforwardness and righteousness have long been superseded by political intrigue and communal jobbery, with the result that few persons believe in the sincerity of purpose of the Government. It is no wonder, therefore, that the appeals that are being made to the people to co-operate with the officials in devising measures of defence are not producing the expected result, and unless there is a radical reform in the constitution of the Government of India, no appreciable change in the situation can be expected. It is not a day too early for the mission of Sir Stafford Cripps to whom the whole country would accord a cordial welcome. Unless, however, the proposals that he has brought with him can inspire the enthusiastic support of the people, and unless the representatives of the people are clothed with the fullest authority in the governance of the country even at this late hour, the ultimate issue of the war may, I am afraid, be in doubt. It must not be forgotten that the fortunes of war depend not merely upon the strength of the fighting forces but also upon the moral support which they can obtain from the civil population. I should desire to make an earnest appeal to Government not to be blinded by political prejudices and considerations of prestige at this critical juncture but to make honourable amends for their past mistakes and gracefully yield power to the chosen representatives of the people. Let not history record the verdict that officialdom in India was responsible for wrecking the British Empire by the pursuit of short-sighted and selfish methods.

I shall now say a few words regarding Income-tax, the surcharge on which is proposed to be enhanced on a graduated scale under the present Bill. In my opinion, the enhancements in the upper scales will operate as a great hardship on the people concerned, but some of the hardships now experienced may be mitigated by an overhaul of the taxing machinery as well as the Income-tax Tribunal. Bitter complaints have lately been voiced about the hardship and prejudice that result from the action of the assessing authorities. I can definitely make the statement that the Income-tax Department, speaking generally, does not enjoy the confidence of the assesseees. There is a general belief that the individual assessing authorities are actuated more by financial considerations than by any canons of law or equity. Even the Income-tax Tribunal which was intended to be an impartial semi-judicial body in dealing with the complaints of the assesseees, is not allowed freedom of action, but is considerably influenced by the administrative authorities. I personally had discussions with some retired officers of the Income-tax Department who have stated to me that they have no independence of action and that they cannot discharge the functions according to their conscience due to interference from the higher authorities. I would earnestly ask the Government to consider the desirability of transferring the control of the Income-tax Tribunal to the Law Department of the Government of India in order to inspire the confidence of the assesseees in its impartiality. Furthermore, I would implore the Central Board of Revenue not to allow its officers to be actuated merely by considerations of finance, but to administer the Income-tax law in a spirit of strict impartiality regardless of financial considerations.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern Non-Muhammadan): Mr. President, the Finance Bill which has come to us

with considerable modifications in the other place reflects the international situation and perhaps you will permit me before I develop my arguments on the Finance Bill to take a rapid review of the international situation. We on this side have been criticising the Government for many facts of commission and omission. The policies that they pursue are often in open and direct conflict with those which we advocate. The view point of some of its members at all events on political, social, economic and administrative questions is not the same as ours. The estimate that we have of the achievements of the Government of British Imperialism and all that it has meant for this country is not the same as that of the official benches. But, even so, in the critical times through which we are passing, there is a bond that unites us, and that is a deep-seated and profound hatred of the ideologies of Nazi Germany, Fascist Italy and Imperial Japan. The common tie that links us together, despite our divergences of outlook, our estimates of Imperialistic achievement, our ideologies, is a vivid realisation that, from our respective points of view, will be the lot of mankind and not this country alone should the Axis powers win this war. The issue today is no longer between two rival imperialisms, but it is also an issue now between two competing ideologies. One of the imperialisms, in spite of shortcomings, is in retreat and as I visualise the situation, there is little possibility of democratic imperialism developing into some kind of authoritarian fascism. There is, therefore, so far as the progressive powers are concerned, the possibility of growth. There is possibility for men and nations to develop their stature as they say they stand for a well ordered international system based on the principles of justice and co-operation. In the Axis system there is little possibility of growth. The order that they visualise is to be based on racialism, domination and force. The progressive forces of the world find themselves ranged against reactionary forces and much that modern man has built up in the course of centuries and hopes to build up is at stake. Political, social and economic democracy finds itself threatened with a danger such as it had never faced before and the outcome of the present struggle will affect not only the classes that have enjoyed the good things of life but also what is from my point of view vastly more important, the fate of the common man, the tiller of the soil, the worker in the factory, the petty trader, who earns his living by the sweat of his brow and the clerk with pretensions to middle class respectability but with no adequate means of support. For the disappearance from the world of liberal ideas which despite powerful reactionary tendencies inherent in the present structure of our society have acted, on the whole, as a humanising factor in the evolution of man towards an inspired life will be the worst disaster that will befall the world if the Axis should win. The entry of the Soviet Union and China have given greater reality to the democratic *cum* anti-fascist-front and it is impossible for thinking men to stand aside in this terrible conflict which arose as a conflict between imperial races, the East and the West, between two rival imperialisms but is fast developing into a struggle for the survival and indeed the strengthening of liberal and humanitarian ideas in their broadest and most comprehensive sense. Holding these views it is inevitable that our sympathies should be definitely on the side of the democracies. Japan's appearance as one of the belligerents threatens our national security and that of our good neighbour, China, and Indian nationalism, which has an ethical attitude towards life, has fortunately not allowed itself to be misled by the propaganda by Japan. They have no use for the co-prosperity Asiatic sphere which Japan holds to build up. There was a time when Japan because of her rapid industrialisation and militarization, was the envy of the Asiatic world. It was in 1867 that she entered upon

[Mr. P. N. Saprú.]

the career which has converted her into an aggressive State. But her designs are now not a matter of speculation. They are open to all. Her record in Korea, in Manchuria, in China, has been such as to lead every Indian to think and feel that she is not capable of supplying Asia with the ethical leadership which her Premier, General Tojo, says she wishes to supply her with. I do not, therefore, hesitate to say that I find myself an absolute and uncompromising opponent of Japanese aims, Japanese ambitions, Japanese imperialism and Japanese ways of achieving those aims. There has never been, so far as we are concerned, any unwillingness to shoulder the responsibilities, given those responsibilities, of our defence, and to help to the utmost extent a democratic cause purged and purified by a new attitude towards subject nations, and towards the backward races of mankind. The main grievance against the Government has, however, been that there has been too little democracy in this country, that they have given the message of hope and reconstruction which the democracies are resolved to make after the war, that they have given her, despite the Atlantic Charter, no clear picture of the character of the world they wish to build, that they have given no challenging message to the subject races which have been held down by Britain and some of the associates of Britain in the past. I shall have to say something about this aspect of the problem in the concluding part of my speech. But as the Finance Bill reflects the international situation it can only be judged in the perspective of the world we live in, and the questions of paramount importance, therefore, at the moment are, firstly, those of manpower and leadership, (2) of production, both industrial and agricultural, (3) of strategy, and finally, there is the psychological problem.

Now, Sir, so far as the financial part of the Finance Bill is concerned I have few criticisms to offer. I am in agreement generally with the main structure of the Finance Bill. I know that the exemption limit has been raised from Rs. 1,000 to Rs. 1,500. That is good so far as it goes and I would like to express my appreciation of the spirit of accommodation shown by the Finance Member in this respect. In his original speech the Finance Member had something to tell us about the compulsory savings scheme. He emphasised that at times when prices of commodities were rising and purchasing power was also rising, it was desirable that people should be taught to practise economy. I am opposed even in normal times to expenditure on luxuries, but it has to be remembered that the common man in India has at no time had too much purchasing power and he must not be expected to practise economy at the cost of efficiency as an economic unit of society. Efficiency both industrial and agricultural, I should say even military, depends in no small measure upon clean living, healthy surroundings, food which has a nutritive value, some leisure and some occasional amusement. If the common man is made to economise too much his efficiency as an economic unit in war time will suffer. It is essential therefore in my view that the problem should be viewed from this point of view, and I am inclined to think that it is a mistaken notion that there is too much money power in the hands of the average common man. I am not thinking of my Honourable friend Mr. Dalal. I am thinking of the common man. I do not deny that certain classes may, because of the profits that they are making out of the misfortunes of humanity, have benefited, but there is no data which will warrant me in saying that there has been a rise in the wage level corresponding with the rise in the price level. My personal observation has convinced me that the rise in prices of essential commodities has hit the poor working class people and the lower middle class people and they represent the backbone of any modern community. At no time have

they anything to save. The invisible and visible commitments of Indian families, joint in structure with responsibilities extending to the fortieth cousin, are great and it is dangerous to assume from experience in the west that what is true of western countries is necessarily true of India. I think that there is no joint family among the Muhammadans but the position is not different essentially in this respect among the Muhammadans either. I therefore hope that in his concluding speech the Honourable the Finance Secretary will throw some light on the wage position as compared with the price position in the country.

Having said this much, I will reiterate what I said before that I am not satisfied that the tax on kerosene oil is right and just. It will hit hard the poorer section of the community and I should have liked it myself to disappear altogether.

I should also like to say just one word about Labour. There is at this time need for greater co-operative effort on the part of Labour, Government and employers, and in the reconstructed Executive Council it was a surprise to me that no representative of Labour was included. I am sorry that the Honourable Member for Labour is not here. As Leader of the House he ought to have been here. I would suggest to the Honourable the Leader of the House to have a co-ordinating agency at the Centre of employers, Government and Labour. Speed both in administrative and legislative matters is needed so far as Labour is concerned. You must at this time give them the vision of a better deal. There is need for such an industrial or economic council in the provinces also.

The budgetary deficits which the defence situation has necessitated is inevitable and in the circumstances the Budget cannot be attacked on the ground that we are spending too much on defence. But expenditure, unless it is wisely directed and controlled, howsoever great it might be, cannot enable any country to win the war. Past neglect of industrialisation has proved ruinous for the country. It cannot be denied that there has been neglect on the part of Government in the production of armament machinery. A vast illiterate population cannot provide the initiative and intelligent effort needed for a totalitarian war. Two-thirds of our population is restricted to cultivation and agriculture in its primitive form. A country cannot, should it find its communications suddenly cut, ever feel secure, in modern war, which depends on heavy industries. I was reading the other day some articles which Sir Walter Citrine has contributed to the *Daily Herald* on what he saw in the Soviet Union. According to him it has been possible for the Soviet Union to increase four and a half times what each factory was producing in the unoccupied areas in the short time that the war has been in operation in the Soviet Union. The excellent account which the Soviet Union has rendered is due in the main to the far-sighted policy which M. Stalin and the Government of which he is the respected head pursued in the matter of industrialisation. After nearly two years and eight months of war effort, we are not making our own tools, machinery or locomotives. We have been dependent and we continue to depend upon foreign countries for our plant, our machinery, our locomotives. We cannot accept the view that what the Government could do has been done for industrial development. The other day a junior Minister of the Crown, Mr. Harcourt Johnstone, made a speech which has been the subject-matter of much attack in the Leftist press in England. He stated that England would have to face fierce competition in the post-war world from the United States of America, from the Dominions, from South America and other European countries

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and, therefore, he suggested that this post-war point of view should not be forgotten. The desire to retain an antiquated industrial structure in England based on the competitive principle in life has resulted, even in war time, as Sir George Schuster who is a conservatively-minded man pointed out in a speech which he delivered I think in Leeds the other day, in the neglect of industrial expansion in that country. We are now told that an American technical mission is shortly to visit India. What will be the object of this mission? Will it help Indian industrialists and Indian capitalists, Indian captains of industry and Indian leaders of industry, and the Indian State to develop the armament industries in this country? Is India to be a field for exploitation by the U. S. A. capitalists or are the Indian States and the Indian capitalists to share in the exploitation of the resources of their country? I do hope that some light will be thrown upon the nature and object of this American technical mission. I think—I have no right to—but I think I speak the mind of Indian industrialists when I say that they would be glad to welcome American help and American co-operation; but mainly, if not exclusively, industrial development must remain in the hands of Indians. We do not therefore want foreign vested interests to be created in this country in the name of the war effort. I hope, therefore, the Honourable the Commerce Member or the Honourable the Commerce Secretary—I do not see either of them, that is the respect that they show to the House—I hope, therefore, that the Honourable the Commerce Member if he participates in the debate will enlighten us as regards the precise scope, character and object of this American technical mission. We have to realise that the population of this country has grown at a tremendous rate. I think we have added nearly 50 millions to the population in the last census. Nearly 70 per cent. of our population has to depend on agriculture or services dependent on agriculture. In the United Kingdom only about 8 per cent. of the population depends upon agriculture. In the United States only 22 per cent. depend on agriculture. There is in progressive countries a tendency for the proportion of the population engaged in agriculture to decrease in numbers. The proportion of people engaged in the United States in agriculture has declined from about 70 per cent. to about 22 per cent. in the course of a century. What has been the record in this country? I should like the official benches to enlighten us on this point. Therefore there is need for a co-ordinated and more direct effort in regard to production on the part both of the Central and Provincial Governments. Efforts should be made in future to encourage heavy industries, medium-sized industries, small industries. There should be an effort, as has been suggested by Sir M. Viswesvarayya, in each region or area to create industrial organisations and new corporations and new units. Further the State must provide institutions, agencies, facilities for training and conditions for absorbing a large part of the population in the industrial line and we must in building up our industries keep not only the war-time point of view in mind but also the post-war point of view in view. At the moment there is need for increasing production of steel manufacture, of machinery, of aircraft, of automobiles, of ship-building and heavy chemicals, including dye-stuffs and rayon. A suggestion which has been made by Sir Viswesvarayya and which I will adopt as my own is that each province should be invited, having regard to the conditions prevailing in that province, to build up one or two key industries and I would support what the Honourable Dr. Kunzru said yesterday that coal and oil should be nationalised; in war time we cannot entirely depend upon private initiative and I would advocate the launching of loans by Provincial Governments for the starting of new industries and meeting interest charges on these loans from the public revenues

until new industries are able to pay their way. Similarly in regard to medium-sized industries. Government should assure the private capitalist that he can depend upon their support in the post-war period if he starts new industries now. Planning is also needed in the case of small-sized industries or what might be called cottage industries, for we must enable the rural population to increase their earning and their income and we must encourage them to be reasonably self-sufficient to the fullest extent possible. The help given to industries need not—and at the moment it is not necessary—take the shape of protection. Provision of banking facilities, help in the matter of statistics, starting of technical and educational institutes and research laboratories are various directions in which the State could and should encourage Indian capitalists to come forward and take over planned industrialisation. For this purpose a Department of Production would seem to be urgently indicated at the Centre and I should have one Member of the Government with an adequate Secretarial staff devoting himself to the problem of production. I do not forget that there are transport and financial difficulties in our way on account of the war at this moment, but I do not believe that the United States of America would have sent out a technical mission to this country if transport between this country and the United States was well nigh impossible. I cannot therefore congratulate the Government on their record of industrial development. I do not in the slightest degree reflect upon my good friend the Commerce Member, but he is subordinate to Whitehall and British vested interests prove too strong for us even in war time, but, if the war is to be won and India is to be saved, then the National Government of the future—assuming that one is formed—must be assured of the fullest support in planning heavy small scale and medium size industrialisation in this country, for effective defence, I would again emphasise, Sir, depends upon industrialisation.

Passing on from the question of industrialisation to agriculture, I would repeat what I said in my speech on the Budget, that the problem of increasing the essential food supplies of wheat, rice and cereals cannot be ignored. The position in regard to wheat is particularly bad. For rice too we have been depending far too much on Burma. Here in Delhi, from personal knowledge I say this, for several days it has not been possible for the population to get wheat. In my own town at Allahabad, we had enormous difficulties in getting wheat. We must, therefore, help agriculturists as indicated by the Council of Agricultural Research in all possible ways to undertake the production of these essential food crops. Internal security—I am thinking of a long range policy—internal security and civil order in a modern State fighting a totalitarian war depends upon adequate food production and supply. Why did Germany fail in the last war? She was not militarily effectively defeated. There was a revolution in Germany because the German people could not get food to eat. Therefore, Sir, we should endeavour to achieve in respect of essential food supplies regional and provincial self-sufficiency. The heavy demands on our transport system during war time make it absolutely imperative that a well directed effort should be made for increasing the acreage of land under cultivation and the yield from that land. The agriculturist must be helped with cheap credit by a rapid expansion of the co-operative system, by a supply of agricultural implements and by supply to him at cheap rates of manure, seed and other requisites necessary for agricultural production. There should be better facilities for the marketing of agricultural products and in cases of emergencies created by air raids Government should be prepared to take over the control of food supplies in any area and keep the population in a fit state of nutrition. I am merely indicating what the problem is and certain directions in which it can be solved. In England the questions of agricultural

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production during war time has received much attention. Producers' and consumers' interests must be reconciled and as the retail prices of goods are likely to rise and continue to rise the Central Government should not hesitate to take action in advising Provincial Governments to set up Price Tribunals. I think, Sir, some Provincial Governments have the system of Price Control Boards, the object of which is to check increases in retail prices. In New Zealand, Sir, since the outbreak of the war the retail price index has shown an increase of 6½ per cent. as compared with 8½ per cent. in Australia and 27½ per cent. in the United Kingdom. This comparatively small rise in the price-index in New Zealand is due to the system of Price Tribunals which the New Zealand Government has established.

From the question of production I pass on to the question of man power. We have been lately told that over a million men have joined the army. We do not know what the strength of the Indian Army in India is. Government has so far concentrated on defending the outer frontiers of India. The exact figures of the number of Indian troops and the casualties suffered by them in Libya, the African theatres of war, in Malaya, in Singapore, and in Burma, have not been revealed to us.

THE HONOURABLE THE PRESIDENT : Will you not reserve your remarks till the secret session ?

THE HONOURABLE MR. P. N. SAPRU : I will not say anything which will impinge upon that. This is just because the Dominion Parliaments and the British Parliament are much better situated in this respect. In those countries the executive Government knows its responsibility to the legislature and considers it its duty to keep the legislature informed either in public session or in secret session of the disposition of troops but here we are not supposed, as it is a Government's war and not a people's war, to know what happens to our troops abroad but I think I am not treading on delicate ground when I say that the number of troops in India cannot be more than about 450,000 and that they are not sufficiently equipped with air support. There is plenty of war material I think locked up in England which could be better utilised in this country. If India is to take over the responsibility from Britain for defending herself then she must be helped with adequate air support. For internal security, for dealing with possible fifth column activities, for keeping Government and the Army well informed of the activities of possible parachutists, a Home Guard constituted on the lines of the British Home Guard is indicated. It is possible to get instructors ; and as was pointed out by Dr. Kunzru yesterday you have got a large number of retired army officers and you need not equip them with heavy guns or rifles. They are not equipped with heavy guns or rifles in England either ; also in order to stiffen resistance, to encourage people in the hope and belief—and the problem today is that people do not think that they can resist—that they can resist the aggressor and that internal order can be maintained, in case of invasion expansion of internal security troops is essential. We do not know what action, if any, Government has taken to throw open the army to all classes and creeds and races in this country. We were supplied with the proportions in February, 1941, and since then we have been supplied with no figures. There must be more vigour infused in—I do not like the word "Indianization" ; I always use the word "democratization" or "nationalization"—there must be more vigour infused in nationalising the army. There is no dearth of leadership in India and I am amazed that after two years and eight months of war effort the Indian personnel in the higher ranks of the

army, the air and other defence forces is as low as we found it to be the other day when certain questions were answered in this House by the Honourable Mr. Williams and this is very unsatisfactory. The Army needs to be nationalised in a much more effective manner than it has been so far. With the vast manpower available in this country we should have and could have done much more if we had had the direction of war effort in our own hands. The severest indictment against the British administration in India is that it has emasculated the people of the country. The peace that Britain has given to this country has been the peace of the grave, and if the Indian people in this crisis are not as war-minded as they should or could have been, the responsibility is that of Britain and of British statesmen—

THE HONOURABLE THE PRESIDENT : May I remind the Honourable Member that there are other speakers ?

THE HONOURABLE MR. P. N. SAPRU : I think I can speak for some time on the Finance Bill. There is no time limit.

THE HONOURABLE THE PRESIDENT : I am not stopping you, but I am reminding you that there are other speakers who are very anxious to speak and I wish to conclude this debate today.

THE HONOURABLE MR. P. N. SAPRU : I shall be brief to the utmost extent possible, Sir.

Having dealt with the question of production and man-power in a cursory manner, I shall now come to what I regard as the most vital problem, namely, that of changing the psychology of the Indian people towards this war. From the very beginning of the war we have taken up the correct line that we are prepared to co-operate with the war effort on terms—I would like to emphasise this, Sir, on terms—consistent with the self-respect of India. If you desire a country to give the best that it is capable of, if you desire a people to put forth the utmost effort that it is capable of, then you must supply that people with moral and spiritual leadership ; you must give that people the vision of a new world. People must be made to feel that in fighting this war, they are fighting for the preservation of a freedom that is already theirs, that they have already achieved. Why and how is it that the Soviet Union has been able against heavy odds to fight ? She is fighting not only Germany ; she is fighting Finland, Rumania and Hungary. How is it that the Soviet Union has been able to put up a most magnificent resistance against German hordes ? How comes it about that China, which used to be the laughing stock of the world—the people of China used to be described only till the other day as opium eaters, as men who were just quarrelling among themselves—after four and a half years of strenuous struggle, remains undefeated by Japan and continues to be a problem for that imperialist country ? The reasons are not far to seek. The British people, to whose courage I wish to pay my humble tribute, the Russian people and the Chinese people are fighting for the maintenance of their liberties, the enlargement of their liberties and the enlargement of human liberties. They are fighting for the maintenance of their standards of living, of values they have been taught to appreciate and hold dear. The Indian people have not been supplied with any moral and spiritual leadership. The August declaration, which represented the quintessence of British political wisdom was completely unacceptable to the Indian people. It was only acceptable to the leader of the Muslim League, Mr. Jinnah. When I read his speech this morning, I wondered whether I was reading Hitler or Mussolini or whether I was reading the speech of a democratic leader. “ I must be regarded as the only leader of Muslim India. No other person has a right even to be heard ”. This is what

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Hitler would say ; this is what Mussolini would say ; this is what General Tojo would say—

THE HONOURABLE MALIK SIR FIROZ KHAN NOON (Leader of the House) : What does the Congress say ?

THE HONOURABLE MR. P. N. SAPRU : The Congress does not say anything of that. I am no advocate of the Congress, but if he is—my Honourable friend will forgive me—fair minded and will read the Congress resolutions carefully, he will find that the solution that the Congress put forward was on democratic lines. It accepted the communal award ; it advocated a constituent assembly elected on the basis of territorial representation. If there be a grievance, if there is no agreement, then it advocated arbitration. My Honourable friend and his friends want to dominate this country. They want to dictate the policy of this country, and there shall be, there will be and there must be no dictation. (*An Honourable Member* : “ Nobody wants that ”.) It is he and his community that the Axis powers are supporting every day in their broadcast, and Mr. Jinnah has referred to the Axis powers today. He and his community are fighting a losing game—

THE HONOURABLE THE PRESIDENT : Honourable Mr. Sapru, I would advise you not to go into mutual recrimination.

THE HONOURABLE MR. P. N. SAPRU : I did not want to do so. I wanted to keep the debate on a high level today. But my Honourable friend, who is the Leader of the House, ought not to have shown a partisan spirit and made some remarks of this character.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Non-Official) : Do not make any personal remarks.

THE HONOURABLE MALIK SIR FIROZ KHAN NOON : Do not forget that I am a Moslem.

THE HONOURABLE MR. P. N. SAPRU : You must not forget that I am a Hindu.

THE HONOURABLE MALIK SIR FIROZ KHAN NOON : But do not attack the Muslim leader. If you want respect, you must give respect to others.

THE HONOURABLE MR. P. N. SAPRU : I have never attacked the Muslim leader. The Honourable Mr. Muhammad Husain yesterday attacked my religion.

THE HONOURABLE THE PRESIDENT : Will you please go on to the next point ?

THE HONOURABLE MR. P. N. SAPRU : Take the Honourable Mr. Syed Muhammad Husain's remarks the other day. I could go into them. I treat them with contempt. The August offer served to deepen communal discord and convince India that Britain was not serious in her intentions towards this country. The steps taken to associate Indians were halting and in the selection of Indians a premium was put upon subservience, upon sycophancy and all that goes with it. Small wonder then that the country is resentful and suspicious of any move made under the compulsion of events at the eleventh hour to enlist Indian co-operation. That is the feeling in the country. There is no generosity in the offer that Sir Stafford Cripps is

supposed to bring out to this country. It has been necessitated by the course events have taken in Malaya, in China, in Singapore, and in Burma, and the national government of the future will have no easy task. It will not be a bed of roses for the Government of this country. Nevertheless I recognise that by sending Sir Stafford Cripps to this country His Majesty's Government have taken a right and wise step. They have taken what Mr. Amery had refused to take so far and what we had insisted that he should take, the initiative in breaking the deadlock. We have won the first round. I should like to accord a most hearty welcome to Sir Stafford Cripps. I can hardly believe that he, a leader of the international leftist front, would come out to this country on a wild goose chase. He knows or at any rate ought to know what political India wants. What political India wants may be summed up in one word, freedom, full freedom, to order her life free from alien imperialism. Once our right to an independent existence as a State which is entitled to equality of status and functions with Great Britain and the self-government countries associated with her is recognised, I think it would be the height of folly on the part of Indian politicians to allow any prudential considerations to interfere with what is their most sacred duty, namely, the duty of safeguarding their country against foreign aggression. We should write ourselves down in history as cowards if we were not, once freedom is recognised and guaranteed, prepared to co-operate wholeheartedly and without any mental reservations with the progressive powers in this war. It is sheer madness on the part of any Indian to think that he can get freedom at the hands of the enemies of Britain. The Axis powers are not out to destroy an empire; they are out to build an empire. The will to resist in this country will develop and can develop only if Britain concedes to us the right of independent and free existence as an autonomous State. Once freedom is conceded, it ought to be our concern to see that India puts forth her maximum effort, all the effort she is capable of, all her treasure and blood. I do not believe in respecting rights of property or respecting rights of person. Once freedom is conceded, India must put forth her maximum effort for the cause of human freedom. There must be no backsliding, no faltering, no wavering, no "ifs" and "buts" on our part. Once our freedom is guaranteed and a national government deriving authority from the responsible elements in the public life in the country, deriving authority from the main political organisations in the country, at the Centre and commanding the confidence of the country, is established, we must make up our minds to sink or swim with the progressive powers with the democratic powers; for if they fail the cause of human liberty will receive an irretrievable setback. We must resist the aggressor, we must develop the will to resist the aggressor. I believe in the power of the human will. We must resist the aggressor by all means, violent and non-violent. We must non-co-operate with him in every way. If he should land on our sacred soil we must give him no food, no shelter. It must be our concern, once freedom and a national government are established, to see that our sacred soil is not over-run even for a minute by the Japanese aggressor. Therefore there must be no defeatism in our ranks. There must be confidence in our capacity at all costs to maintain the freedom that we have won for ourselves. Nations that deserve to live do not hesitate to make the supremest sacrifices for the freedom that they have achieved. With conviction in the righteousness of our cause we must prepare ourselves for resisting Japanese imperialist ambitions, once our freedom is established, guaranteed and assured. I am assuming that Sir Stafford Cripps has something to offer and that the just and final solution which he is bringing out for this

[Mr. P. N. Saprú.]

country is really just and final. Of Sir Stafford Cripps I wish to speak in terms of the highest respect and admiration. Speaking for myself I very largely share his social and economic philosophy and I find it hard to believe that he of all British statesmen will let this country down. We all desire his mission to succeed. There must be on the part of us all a willingness to subordinate sectional and communal interests to the common weal. There must be on our part a desire to give every possible assistance in finding a way out of the *impasse* in which we find ourselves. For if he fails the situation, far from improving, will deteriorate. He will meet with powerful opposition—that is my anticipation, I shall be very glad if I am proved to be wrong—from Governors and may I say Executive Councillors with vested interests in the maintenance of the deadlock, with opposition from communal and sectional groups, from mushroom organisations which will spring up under the patronage of shall I say of white and brown bureaucracy, from defeatists who have lost all faith in the victory of democracy, from honest pacifists for whom I have sincere and great respect for their pacifism but with whom I do not agree, who wish to avoid the loss of life and property which a prolonged struggle will necessarily entail. I have hope and confidence in his capacity to rise to the occasion and I hope that if alternative suggestions or solutions are put before him in a helpful spirit even though they may not exactly come within the four corners of his formula, he will not rule them out merely because they do not accord with the Cabinet proposals. The lessons of Malaya, of Singapore, of Java, or Burma, where the civil population was indifferent if not actively hostile to British imperialism must not be forgotten. And if the institutions which Britain has given to the world—and these are her greatest contribution, it is not the Empire which is her greatest contribution—are to survive, if what that aged journalist Mr. Gardner called the other day the English spirit is to survive, if democracy is not to be blotted out from the face of the earth, if the words “social justice” is not to disappear from our vocabulary, then we must be prepared to rally to the cause for which de-imperialised powers would then be really fighting. We wish to give Sir Stafford Cripps every help in finding a way out. We do not prejudge the issue in any manner whatever, and therefore it is that, contrary to our usual practice, contrary to our past practice, we have decided not to oppose the passage of the Finance Bill. We can do no more as we do not know what the proposals are, for the situation does not warrant at the moment a complete change of front. I wish our British friends not to misunderstand our attitude. It is not lack of sympathy or desire to shirk responsibility for the defence of our country and the larger causes in which we are interested that decides our attitude of neutrality in regard to the Finance Bill. It is our lack of confidence in this Government as a good war machine, as an agency for converting this war into a people’s war, as an agency for changing the outlook of the Indian people which is, I am afraid, not very satisfactory at the moment. It is these reasons that determine our attitude. Our attitude is not the attitude of defeatists. It is the attitude—I would like to emphasise this because I have indicated our willingness to accept responsibility even at this tenth or eleventh hour—it is the attitude of brave men who are prepared to shoulder responsibility provided responsibilities are conceded to us, who are prepared to co-operate if co-operation is sought from us on terms of equality, and there is no encouragement of Hitlerism in this attitude. If I were so minded I could have accused the British Government of having encouraged in this country a defeatist mentality, of having done all that is humanly possible to weaken the forces of progress, of being unwilling and unwitting instruments of Hitler, Mussolini and General Tojo. But I do not.

wish to dilate on the past. I wish the past in the interest of posterity, in the interest of the present, to be blotted out from our memory. I wish to fix my gaze on the present and the future. In deciding upon the step of remaining neutral on the Finance Bill I would say that we have made a gesture which, if Government will remember the line that we have so far taken in regard to the manner in which the war effort in this country has been made, is one of goodwill towards the mission of Sir Stafford Cripps.

Sir, I should just like to say one or two words about the question of educational reconstruction on which Sir Ramunni Menon spoke yesterday.

THE HONOURABLE THE PRESIDENT : May I remind the Honourable Member that he has already spoken for an hour and nine minutes. I cannot allow him any further.

THE HONOURABLE MR. P. N. SAPRU : I will not take more than two minutes. I should like to associate myself with what Sir Ramunni Menon said about the importance of having a post-war educational reconstruction committee immediately. The question of post-war educational reconstruction has been receiving much interest in England and I only finished the other day a very interesting book by Sir Richard Livingstone on the future of education. He wants complete overhaul of education. I think industrial efficiency, efficiency in war, efficiency in every walk of life, depends upon education. I think the problem of education should be viewed as a national problem and there should be co-ordination and co-operation between the Provincial Governments and the Indian Government so far as education is concerned. I am not suggesting that my Honourable friend Mr. Tyson should impinge on the powers of the Provincial Government. I am merely asking him to seek their co-operation in establishing at the Centre a post-war educational reconstruction committee.

Another thing on which I should like to say just one word is that of Indian evacuees from Burma, Singapore and Malaya. I think that question was dealt with very exhaustively by the Honourable Dr. Kunzru yesterday. The suggestion that he made that they should be exempted from the operation of income-tax is worthy of consideration. They want the income-tax laws to be suspended in their case. I do not think they are claiming a permanent exemption from the operation of the income-tax ; and I would also support the suggestion that the Standing Emigration Committee or two members of the Standing Emigration Committee and the Honourable Mr. Aney and Mr. Bozman should go to Tammu in Assam. Sir, there is no question which is likely to cause deeper resentment among Indians than racial discrimination. If you deny a man the right to govern himself, you do not hurt him so much as when you attack his race or when you do something which makes him feel that he is racially your inferior or you look upon him racially as your inferior. I know, Sir, a high caste man of the greatest loyalty, whose loyalty you cannot doubt. He does not belong to my school of thought at all. He is an aristocrat. He had been insulted once. He said, " I am supporting Britain, but I cannot forget that they have insulted my pride of race ". That insult he had never forgotten, because people do not easily forget insults. That sort of thing is very annoying and I do hope that at this moment there will be no racial discriminations, because we are all anxious to create a better atmosphere.

That is all I have got to say on the Finance Bill, Sir.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary) : With your permission, Sir, I should like to intervene at this stage in the debate and

[Mr. E. Conran-Smith.]

offer a few observations on the points taken by my Honourable friend Sir David Devadoss yesterday. My Honourable friend is concerned to know whether adequate preparations have been made to deal with the threat of *goondaism*, looting and attacks on law-abiding citizens, should enemy attacks or air raids materialise, and thus give an opportunity to *goondas* and bad characters to fish in troubled waters. Sir David Devadoss advocates as a protection against this danger the arming of respectable young citizens with what he described as fowling pieces. By the use of this somewhat archaic term he later explained that he meant muzzle-loading guns. I might digress here for a moment to the extent of saying that although my Honourable friend in a rather reminiscent mood referred to these weapons as if they belonged to the days of his youth and of yours, Sir, I may say that I have myself used a muzzle-loading gun in quite recent years and still remember that several seconds passed before I recovered full consciousness. That, however, is not to say that they cannot be a very effective weapon, rather the reverse.

Well, Sir, let me assure my Honourable friend that the Central Government and Provincial Governments are fully alive to the need for guarding against the dangers which he apprehends. Government do not, however, believe that the safeguard lies in the indiscriminate arming of the populace but rather in the increase of disciplined and organised bodies to which arms can be safely entrusted. It is unfortunately the experience of the authorities that arms thus distributed to persons who are themselves law-abiding and loyal often pass into the hands of those very elements in the community against which they are intended to be used. The very existence of those weapons is more often than not an invitation to dacoits and marauders to attack and take possession of them, and unfortunately that has happened quite recently in one particular part of India.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern: Non-Muhammadan): What are the disciplined and organised bodies to which Government will be prepared to give arms?

THE HONOURABLE MR. E. CONRAN-SMITH: If the Honourable Member will allow me to finish the few remarks I was offering, I hope to tell him. The view Government take on this point is that the arming of bodies of irregulars might result in the establishment of private or communal armies and might thus increase the likelihood of disorder. What Government have in view—I hope my Honourable friend is listening—what Government have in view is a very considerable increase in the regular police all over the country for the purpose of preventing those disorders which my Honourable friend Sir David Devadoss apprehends,—and I may say that all of us share his concern on that point. Provincial Governments have already been asked to commence this expansion of the Provincial Police, and the increase which has already taken place is somewhere in the neighbourhood of 30,000, but that is, of course, not the limit of the expansion contemplated. The limitation to such expansion must be at present the shortage of arms, a consideration of which my Honourable friend Sir David Devadoss has shown himself to be fully aware by his reference to fowling pieces.

All I can say on that point is that Government are actively considering measures to increase the supply of arms for the use of Provincial Police and hope that we shall succeed in our efforts.

One further point, which I should like to mention and which I hope will help to reassure my friend, is that owing to the rapid expansion of the army the number of troops fully or partially trained in this country is very much larger than it is in time of peace and that is, of course, one of the reasons why the present very large output of arms is being absorbed and is not available for arming the police. This additional military force will provide additional insurance against any widespread disorder arising in India in the circumstances envisaged by my Honourable friend.

Finally, Sir, I should like to make this important point. Disorder in the conditions arising out of hostile attack is much less likely to arise where the morale of the population is high and therein lies an excellent reason why widespread support should be given to the National War Front recently initiated by His Excellency the Viceroy. The principle of that Front is that it rests in the hands of the people themselves to maintain morale at a high level and thus to save themselves from any unnecessary and additional suffering which follows loss of morale and, therefore, panic. It is conditions such as those that favour the dacoit and the marauder of whose activities my Honourable friend is so apprehensive.

May I, therefore, Sir, in conclusion suggest to the Honourable Sir David Devadoss, my Honourable friend Mr. Sapru and others that it is open to them, when they go back to their Provinces, to support the object of the National War Front and thereby to convert the spirit of defeat to which my Honourable friend Mr. Sapru referred into that spirit of resistance to aggression of which he also held out hopes during the course of his speech ?

THE HONOURABLE SIR DAVID DEVADOSS : May I put a question, Sir ? Is there any objection to increasing the strength of the U.T.C. in Madras ?

THE HONOURABLE MR. E. CONRAN-SMITH : I am afraid that is a question that my Honourable friend should address to the Honourable the Deputy Commander-in-Chief.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce) : The Honourable Mr. Conran-Smith has just been saying that one of our main duties at the moment is to do everything we can to improve and add to the morale of the people. I myself feel that we have all said something in that direction in so far as I have been able to listen to this debate but obviously there is considerable inconsistency in saying that and either remaining neutral on this Bill or voting against this Bill. I think those two things are completely opposite and I think we here have a real opportunity to show to the people of this country that we do realise the war, that we do believe we ought to fight against the aggressor, that we do realise that we have got to make sacrifices or else we cannot hope to win. I would therefore appeal to my friends on the other side of the House not to remain neutral but to vote for this Bill.

I am greatly obliged to the Government for introducing several amendments in the Bill, in particular that which deals with the question of legal charges on compulsory savings. I look upon that as a very important point and very much in favour of the small man who is going to be forced to save and while there are those on the other side of the House who seem to deprecate this compulsory saving I myself believe that in the not very distant future it will be a common provision in all countries that the earning capacity of a man should to an extent be set on one side for his future necessities.

[Mr. R. H. Parker.]

Both the Honourable Mr. Mahtha and the Honourable Mr. Dalal—one I think on the Budget Speech and one on the Finance Bill—seemed to raise objections to the Indian Army being overseas and suggested that they should be in this country. Well, now, I do honestly think that it is much more important to kill the enemy, if you can, far away from your country than when he is in your country. It was for this very important reason that England sent her armies as fast as they could to France to fight there.

Similar criticisms were raised with regard to equipment. You may have lots of equipment in England, you may have more than you want in America, but the difficulty is how to get it to the place where you want it.

A good deal has been said especially by the Honourable Mr. Sapru on the subject of the industrialisation of India. It happens that I came to this country 23 years ago roughly for that particular purpose and I spent nearly three years endeavouring to do something in this direction. Now I will tell you why those endeavours failed. They failed because the Indians connected with the undertaking preferred to make money by gambling rather than by industrialisation and as long as you have a race which will insist on gambling rather than working you will not find industrialisation going ahead.

The Honourable Mr. Dalal objected to the scorched earth policy. I ask him this question. Supposing you leave a perfectly good factory behind for the Japanese to take, whether it be in Burma or Malaya or anywhere else: Do you think they will leave it for you again?

THE HONOURABLE MR. M. N. DALAL (Bombay : Non-Muhammadan) : May I interrupt the Honourable Member? I am not entirely against a scorched earth policy, but what I should like to know from Government is whether we are entitled to any kind of compensation if a scorched earths policy is being followed.

THE HONOURABLE MR. R. H. PARKER : I suggest that the first thing to think about is winning the war and the second thing is about compensation for what you have lost.

Then, one Honourable Member, at an earlier stage, thought that the excess profits tax limit of Rs. 36,000 was not low enough. There is a good deal to be said for that point of view. On the one hand that figure does encourage small industries. If the Honourable Member had the experience I have of sitting on the Board of Referees, he would know that you would have a very large number of cases to deal with if you reduced the limit and that for the present at least the capacity of the Department to deal with the tax is sufficiently engaged. It may be possible later on to reduce it, but I do not think it can be done now. I do think it is very important that the Department should take every care to see that individuals do not, as I understand they are doing, so arrange their affairs that they carry on three or four different businesses under different names and none of them make more than Rs. 36,000 a year.

There have at various stages been criticisms of the increases in the charges by Government Departments—Railways and in particular the Posts and Telegraphs Department. I personally take the view that there is no reason why those charges should not be increased and produce extra revenues as much as any other charges. But I want to draw particular attention to the fact that when you are paying for the services performed by the Railways and by the Posts and Telegraphs Department, you are paying to an undertaking which if it were privately owned, managed and controlled, would be bearing income-tax, super-tax and excess profits tax. Now, the Railways and

the Posts and Telegraphs do not bear these taxes and for that reason their charges are apt to be lower than they would have been if they had to bear them. For that reason it seems all the more sensible and wise that these charges should be put up in existing circumstances.

Some Honourable Members have referred to the subject of the shortage of wheat. I wish I could track down for you the very large quantities of wheat that were removed to the Gujerat district of India not very many months ago and which are there buried waiting for a higher profit.

THE HONOURABLE GENERAL SIR ALAN HARTLEY (Nominated Official) : Sir, may I refer to one or two questions which cropped up during the course of this debate? My Honourable friend Mr. N. K. Das has asked the question, "Will Indian troops be brought back from overseas to defend their country?" I think that already my Honourable friend here has indicated the reply, namely, that a country is not necessarily best defended from its own borders, and that is the case of India at the present moment. We want to keep the enemy as far away as possible from the vital spot: and that is why Indian troops are at the present moment in the Middle East and in Burma. That is our policy, as has been declared many times and in many places and through the broadcast. As there is going to be a secret session, I do not think it is necessary for me to say anything more about it now.

My Honourable friend Mr. Kalikar raised the question of Indian emergency commissioned officers, as did my Honourable friend Pandit Kunzru. The Honourable Mr. Kalikar complained that we were purposely refusing Indians commissions and were keeping them to a small quota as compared with European, Anglo-Indian and Australian candidates. He further said that the percentage of Indian emergency commissioned officers was going down—

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General): May I just explain to the Honourable Member what I said yesterday? I said that the system of quota was followed in the first year and that it was stopped in the next year.

THE HONOURABLE GENERAL SIR ALAN HARTLEY : I beg your pardon. I think you have said that the policy of the British Government was that they do not want Indians to come forward as officers in the army. I may say that these allegations are completely unfounded. I have examined last evening the figures of the number of cadets interviewed by the Central Interview Board since November-December, 1940. The percentage of the numbers taken out of those interviewed has continuously increased from 45 per cent. in January-February, 1941, to 70 per cent. in September-October, 1941, and the latest figure for January-February, 1942, shows 736 taken out of 959 interviewed or about 76 per cent.

I may say that the Central Interview Boards have been told to reduce their standards in order to take in more Indians; and the consequence is that they are now taking in some doubtful cases which under the previous system would not have been taken in, the idea being to give these doubtful cases a chance to go to the Cadet College and thereby prove themselves. A further consequence is that the number of those who fall by the way during their course in the Cadet College is on the increase. Doubtful cases in many cases do not make good. I myself was at Bangalore last week on my way back from Ceylon and I visited the Bangalore Cadet College, and talked with quite a considerable number of the Indian cadets and it was not very difficult for me to see that a certain number obviously would not make good officers. The

[General Sir Alan Hartley.]

Commandant there, who has had a very considerable experience of training Indians both at the Indian Military Academy, Dehra Dun, and during a long time successfully at the Bangalore Cadet College, tells me that the quality is not quite the same as it was before. The quality has deteriorated.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Has it remained uniform in the case of British and Anglo-Indian candidates ?

THE HONOURABLE GENERAL SIR ALAN HARTLEY : I should say that there possibly has been a deterioration there too.

I think I have said enough to show that we are not discriminating against Indians as officers. I say that we are only too ready to take as many as we can get and I should like to add that I know that there is good material still in the country ; and I would welcome any efforts which Honourable Members can make to help us in that direction.

My Honourable friend Pandit Kunzru told the House yesterday that he has instances of these Indian commissioned officers being badly treated. He said that he knew of instances of officers who had been placed under others junior to them. When I was in Northern Command—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Under British officers junior to them, not under other Indian officers junior to them.

THE HONOURABLE GENERAL SIR ALAN HARTLEY : Well, when I was in Northern Command, I made it my business to pay very particular attention to all emergency commissioned officers and particularly Indian emergency commissioned officers, and I cannot say myself that I discovered any case of unjust treatment. But I will say this, that if my Honourable friend can produce to me any case of unjust treatment or bad treatment, I will only be too willing to investigate. I will only be too glad to do so. He has only to come to me and produce the facts. But I would ask this of him and that is that he himself must view the case impartially and objectively before he comes along to me, because he knows as well as I and we all know that there are some people in this world who have a considerably better opinion of themselves than other people have of them, and they do not remember those wise words of King Solomon, "Let another man praise thee, not thine own mouth ; a stranger and not thine own lips".

Well, the Honourable Pandit Kunzru again told us yesterday that every request that Defence should be nationalised has been turned down, that Government would not look at a citizen army or a home guard. Well, Sir, I have given the reasons. The reasons are very simple, lack of arms and of instructors. But I would like to remind the House that I did say that when our situation in those two respects had improved and was satisfactory, I for one would regard the formation of a home guard, which I should much prefer to call a territorial force, with sympathy.

My Honourable friend the Pandit also said yesterday that discrimination had been introduced in the lower ranks. He said there were 434 women clerks of which only 14 were Indian. All I can say is that if more are forthcoming there will be no difficulty in placing them, and if the Pandit will produce to me tomorrow morning 40 qualified and educated Indian damsels, I will place them very appropriately.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Why should it be my business to find them ? You can get them if you try.

THE HONOURABLE GENERAL SIR ALAN HARTLEY : The Honourable Member made the statement. The Pandit also said that a Women's Auxiliary Corps had been started and, I may be wrong, he seemed to imply it was only open to Europeans. That is not so.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : That may be theoretically so. I quoted from the statement that it was meant really to replace the soldiers on duty in the Defence Department.

THE HONOURABLE GENERAL SIR ALAN HARTLEY : He also asked why women were employed when large numbers of young men were available. The answer is that the object of employing women is to relieve men for doing work elsewhere, work moreover which cannot be performed by women. And as regards these unemployed young males, the army is crying for clerks and there are today hundreds of clerical jobs for men. But what I fear is this, that the young men themselves are not very forthcoming when it comes to bearing the heat and burden of the day.

My Honourable friend Mr. Muhammad Husain alluded to certain incidents which had taken place in which soldiers both British and Indian had been concerned and pleaded for better relations between the military and the civil population. Well, I need hardly say how very much I endorse that appeal. I am of course well aware of certain incidents which have taken place in Bombay, Poona and elsewhere, and I can say that nobody regrets them more than I do as do the whole of the officers of the army. We are determined to do all that is possible to prevent such incidents occurring. As regards the Ports, where as you know there are many soldiers in transit on ships coming ashore and so forth—and I am particularly thinking of Bombay—the military and the civil authorities down there have been in very earnest consultation and many strong measures have been adopted. And in this matter I should like to say a word of thanks to the Bombay Hospitality Committee who have been extraordinarily good and useful in this connection. We have also started a Corps of Military Police with the necessary strength to provide for all places where large numbers of troops happen to be stationed or passing through. I hope therefore with my Honourable friend that future incidents of this kind will be few and far between. There is one last point I would like to make and that is this, that many instances of what are really very trivial examples of misbehaviour are deliberately exaggerated by evilly disposed persons, and I would appeal to everybody in this country, to the public press and to everybody else, to help in maintaining good relations between troops and the civil population by refraining from giving undue prominence to matters which in themselves are really very trivial.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, this is the fourth Finance Bill with which we are dealing since the war started, but the circumstances in which it is introduced are altogether different from those of its three predecessors. The first war Finance Bill came before us when we were only far-off spectators of this war. We did not then feel that the war was much of a concern of ours, and the Government behaved in the same manner as if this war concerned mostly His Majesty's Government and very little the Government of India. The second Finance Bill came before us after the debacle of France. We were more

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chastened. We were interested spectators but we had no fear and we were not in any way downhearted. The third Finance Bill came when the Government was flushed with the victories of our forces in the Near East and there was complacency and a great deal of confidence that we would see the thing through. And now this last Bill has come before us when the whole of the British Empire and India has been stunned by the happenings in the Far East by the debacles that have taken place in the Phillipines, Malaya, Singapore, the Dutch East Indies and lastly in Burma. At this time India is in a restive mood ; it is anxious ; it is bewildered ; it has lost all confidence in the present Executive who control its affairs. It demands, it does not supplicate, it demands that there should be a change over, just as happened in England, when Churchill's Government was formed after the happenings in Norway. It is not only the men who are at fault—I do not find much fault with the men—it is really the system which is always at fault ; and while that system persists, while you are merely creatures of Whitehall to carry out the mandate of that place without any free will, without any rights or interests in the war, things will go on as they have been going on for the last two and a half years. Half-hearted measures, petty-foggings, wasted efforts, and lastly spending any amount of money on non-essentials and neglecting the essentials will not help. If you want the present state of affairs changed, there should be a new orientation and a new change over ; you have to make drastic changes. If you do not embark on these, let me tell you frankly that you will go on as you have been going on for the last two and a half years ; everywhere the enemy is in superior numbers, his equipment is better ; at every turn we have been overwhelmed by the enemy. Sir, I welcome the realisation by the British Government that changes are required and I shall not anticipate the course of events of the next two weeks, but the effects of the decisions made will be marked on the battlefields.

Sir, I intend to divide my speech into three parts. Firstly, I wish to discuss the day-to-day affairs, as I call it, the ordinary financial and economic matters. Secondly, I wish to discuss the matters connected with the Department over which our Honourable friend Mr. Aney presides, and thirdly, I shall deal with the major issue, the constitutional issue. It pained me to find my friend Mr. Sapru flare up and get into a temper at what he found in the papers today. I shall refer to it in detail when I deal with the constitutional position. But it is regrettable that even at this time when the enemy is at the door we have not tolerance, that abusing and condemning is the order of the day, when there is nothing to save you and save me from the enemy. We cannot realise even now that the time has come to compose our differences, to live and let live. I for one will be hopeless about India's future if this persists.

Sir, I said that I shall begin with financial matters, and I am sorry to say that I have to look the gift horse of Mr. Jones in the face. He was thanked by some of the critics for having increased the limit of exemption from Rs. 1,000 to Rs. 1,500. It was said that it was done in consonance with, or in order to please, the Opposition. It might have been the cause, but the mainspring was the objection made by the Department itself. Five lakhs of new assessees. That was no easy job, Sir. I know that the Department was restive, was really wondering what to do. They were not to collect and yet they had to do all the preliminaries, issue of notices, examination of books, etc. It is really to save himself from this bother that this limit was increased to Rs. 1,500 ; and they got a very good bargain. It was a good transaction ; they saved themselves the worry and placed the Opposition under obligation,

that they have been very considerate to the Opposition. I think that shows the way in which the Finance Department has always been considerate towards the Opposition. Mr. Parker referred to the excess profits tax question and said if the limit had been lowered, the amount of work which the Income-tax Department would have to undertake would have been very much increased. That was the reason why against his better judgment the Finance Member increased the exemption limit from Rs. 20,000 to Rs. 35,000 or Rs. 36,000. Sir Ramunni Menon had contended that the Government of India could do well to copy His Majesty's Government in the matter of the excess profits tax. I for one am an unashamed admirer of some of the British Government's financial measures and I have many times advocated their adoption here. But to embark on that requires courage and that courage you can only have in a Government which is really and truly a national Government. It is idle to expect that the present Executive can embark on such drastic measures. I therefore have no hopes of our desire being fulfilled. While dealing with this Department, Sir, I would like to invite Mr. Jones' attention to the fact that the Report of the Central Board of Revenue is published so late that for all practical purposes it is useless. We have now the figures of 1939; in the year of grace 1942 we have the Report for 1939-40. The Railway Board dealing with a Department much bigger than the Income-tax Department and with a fairly complicated system of accounting is able to publish its Report within seven to eight months of the close of the year, while the Central Board of Revenue take a year and a half after the conclusion of the year to prepare their Report. To make it useful it will be necessary to publish it a little earlier. As I said, I find figures in the Report which are not current figures. They are old figures. Therefore my conclusions might not be based on the present affairs. From the Report I find that with all the tightening of the law and reorganisation, you have failed to catch up the evaders. There is still a great deal of evasion. It is unimaginable to think that India is such a poor country that people with an income of Rs. 5 lakhs and over number a dozen and a half. It is unimaginable. As Mr. Parker just referred to, you can have a number of subsidiary companies under different names, all making profits and being taxed separately. You do not jumble them up together, so that you do not have one income and with one income you have the higher rate of taxation. If the income is divided, the rate of taxation is reduced. If it were not for the war, I would have asked the Government to examine this question more thoroughly, but as it is we cannot do anything except to ask the authorities to be more vigilant.

I have also been, struck by the fact that there has been some victimisation of the officers in the Income-tax Department. To maintain integrity in a department of this nature is very essential. It is a department in which no breath of scandal should be allowed to enter, because it has to deal with such things that even suspicion would be bad enough but I for one, Sir, am for justice even to the criminals. The British jurisprudence contemplates the stages and methods by which a criminal's guilt or innocence may be found out. The presumption is that everybody is innocent until he is proved guilty. You have a police inquiry, a magisterial inquiry, and then the thing goes to the Sessions Court. But here strange things happen in a department. For every paltry offence and even for the highest offence involving dismissal the man who frames the charges makes the inquiry, comes to the judgment and passes orders. It is as if you empower the police to do the work of the magistracy and of the Sessions Court too. There is something inherently wrong in the system by which you can give the highest punishment to a man without allowing him a chance of appealing before the higher authorities. It

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is not the concern of the Finance Department alone ; I think rather it is the Home Department which ought to examine this question because it is a common question which affects not only in the Income-tax Department, the Supply Department, the Communications Department, but every department where Government employees are to be found. If you have a charge involving a criminal offence I demand, Sir, that an employee should not be punished without being sent to the Court. You arrogate the prerogatives of the Court ; you do not bring a suit against the man. If you had brought the suit against him he would have had the chance of proving his innocence in a Court of law, going right to the High Court. You take departmental proceedings against him, you can mete out even the highest punishment—even dismissal from service—and yet without any effective appeal. It will be borne out by Government records that 95 per cent. or 90 per cent. of the appeals fail ; they are not effective safeguard. It is not the percentage in the criminal cases. So I think that wherever an officer—at least a gazetted officer—is charged with an offence, having done a thing which is a criminal offence, he must invariably be reproduced before the Court or he should not be charged on that head. The Department should not proceed on that charge. If the charge is not good enough to be substantiated in a Court of law why should you take action against him on that basis ? You start on false premises.

Sir, during the Budget discussion the Honourable the Finance Member had differed from me very vehemently—

THE HONOURABLE THE PRESIDENT : You are not going into the second part of your speech ?

THE HONOURABLE MR. HOSSAIN IMAM : I am still dealing with the financial and economic questions.

THE HONOURABLE THE PRESIDENT : I think this will be a convenient time to adjourn. You will proceed with your speech after lunch.

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

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

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

SECRETARY OF THE COUNCIL : Sir, a message has been received from the Secretary of the Legislative Assembly. The message runs as follows :—

“ I am directed to inform the Council of State that the following Resolution was passed in the Legislative Assembly at its meeting held on Tuesday, the 24th March, 1942, and to request the concurrence of the Council of State in the said Resolution :—

‘ That this Assembly do recommend to the Council of State that the Bill to provide for the better administration of Muslim Wakfs in the Province of Delhi be referred to a Joint Committee of this Assembly and of the Council of State and that the Joint Committee do consist of 18 members ’.”

THE HONOURABLE THE PRESIDENT : We will dispose of that Motion tomorrow.

THE HONOURABLE MR. HOSSAIN IMAM : Sir, when the House rose, I was referring to two items in which the Honourable the Finance Member differed vehemently with me. One was regarding apportionment of the blame for the ill-equipment of our army ; whether it was the action of the Opposition or the inaction of the Government benches which was responsible for it. The second was about the responsibility for the rise in prices being primarily on the Government purchasing organisations. On the question of the apportionment of blame for the army being ill-equipped, I ventured to suggest then,—and I do not think any useful purpose will be served by flogging it again,—that we are absolutely blameless. You spent an amount of money which your purse allowed and you spent it on items which were unnecessary—in paying high salaries to the British officers and British other ranks instead of having purely Indian personnel. You paid an exorbitant amount as capitation charges to which we always objected. You had a definite amount of money and you spent it on whatever item you liked, and you did not spend it on items which were necessary. Whose is the responsibility ? I shall not traverse the ground much further.

As regards the question of rise in prices, I had then tried to show that it was the high price paid by the Government through its purchasing organisation that was responsible for the little rise in price that has occurred. I take strong objection to the statement of the Honourable the Finance Member that “ Government has no time when it has to get on with the war to argue with the suppliers ”. *That is complacency, that is a policy of inaction, a policy of defeatism, a policy of disorganisation, a policy of muddling through, which is responsible for your plight today.* Look at Germany and its intensive organisation, its equipment. Without an Empire, without any resources, without anything, it could organise and equip an army in the short space of five years, an army which is unbeaten. Look at Japan. It has been fighting a country like China for four years and still it had such a huge store of materials that it could attack places so far apart as Pearl Harbour and Malaya. Did they follow a policy of not having time to see to everything ? *This is a confession of your incompetence that you have no time, no idea of how to organise things.* Price control as introduced in dictator countries is a thing which you ought to copy. There should be no shame in learning from your enemies. Capital is like rain water. It can run waste, flood countries, destroy crops or it can be harnessed and made to work turbines for electricity and irrigate the fields. The democracies have allowed this mighty river to flood and to bring destruction in its wake. The Soviet and other dictator countries have harnessed it and made it serve the purposes of the betterment of the country to which this capital belongs. Unless you are prepared to reform yourself, unless you are willing to change completely and give up your old ways of muddling through, you have to be prepared for what is in store. It is not a reply to me to say that the Supply Department has to buy things, and it cannot argue with the sellers. How is it that they have built up gigantic organisations in America, trusts, corporations and cartels in Europe, and co-ordinated organisations of German industries ? You know of the Japanese textile industry organisation and still you think that we are in such days of bungling that we cannot do anything effective. Are we at the mercy of the capitalists to dictate the price they like, and the country is less powerful than capital. *If the country is to be sold to capital then there is no salvation for the country ; capital will swallow the country and will itself be swallowed in the end.*

THE HONOURABLE THE PRESIDENT : Whom do you call capitalists ? Most of the merchants who buy this grain to sell are not capitalists.

THE HONOURABLE MR. HOSSAIN IMAM : Any one, Sir, who wants to make money out of the suffering of the country. My opposition is not to capital *per se*. It is to the way in which it is used. I will give you an instance from my own province to show how the Supply Department affects prices. It is common knowledge in my province and you will find corroboration of it, if there are any market reports of the Marketing Adviser to the Government of India. About two or three months back all at once the price of potatoes rose from Rs. 2 to Rs. 5 per maund in all the bigger towns. We were surprised. On inquiry it was stated that two or three people had applied for a potato contract to the Supply Department and they had received information that the contract might be accepted. The price went to Rs. 6, but fortunately for us the Supply Department did not accept their sample contract and at once the price fell down to Rs. 2-8-0, all within 12 days. Merely the fact that a contract was to be placed takes the market up, and on its refusal the market falls down. It is this kind of thing to which I object. It is really a robbing of the state by an organised band. The fact is the Supply Department is just ordered to get things. It has no say in the matter of the things it has to purchase, and what is worse is, that sometimes the Supply Department is powerless to bring down prices because the orders are so mandatory. Such and such things must be supplied within a week or 15 days. It has no say in the matter of the duration in which it has to supply. It is thus the ordering organisations which are responsible for placing orders for large quantities, to be bought immediately, so I do not blame the Supply Department alone.

Our armies are so heavily equipped that it is difficult for them to advance. They have to retire days ahead of the enemy's arrival. Do you know what goods are supplied to the troops in camp? In addition to a portable bed you supply them with a portable wash basin, portable bath tubs; there are instances of their being supplied with portable dressing tables and even towel racks are supplied to them. Is this the equipment of a fighting army or is it a Raja's shooting party? In these days of hardship and of national total war you are still keeping your army as if it were an imperial army to be just brought here and there, a show force, not a fighting machine. Realise how the Japanese are fighting. What is their equipment, and how mobile they are; and look at your own heavy immovable and almost stationary stock that you call your army.

Sir, I was referring to the Supply Department. A reference was made in the other House to some corruption that may be prevailing there. I am afraid that instead of rooting out where corruption really exists the Department has taken a short cut by taking steps against small fry, and that will be paraded before us as the effort of the Supply Department to bring integrity and to punish wrongdoers. But it should be realised that just as there should be integrity it is also necessary that there should be no victimisation and no punishment without guilt.

Pandit Kunzru referred to the Women's Auxiliary Corps to which General Hartley replied. The fact that we do want to release certain people and to substitute them by women is not objected to by Indians. We object to the fact that if the same work can be done by an Indian at a smaller rate of pay why should more money be wasted? I am not prepared to give in that the weaker sex work better than the stronger sex. In reply to question No. 120 of last session a list was given of some 70 women who are the relations of Secretariat officers who are employed. It does not sound very well. That shows

that there is something rotten somewhere. It is really jobbery that not only white men but their women too should be provided with jobs, while Indians in their own country must starve because the former are the kith and kin of our masters. The Home Secretary referred to the measures that are being taken to safeguard India with additional police. One wonders whether the additional police will function in the same way in which the police functioned in Rangoon. I shall deal more fully with this when I come to subject No. 2.

Sir, I regret that the Government has shown utter neglect of the interests of India, that the Government are still treating the war as a subsidiary and minor phase and not as it should be treated as the main business and the only business which requires our full and complete attention. Unless there is a change in the Government of India's attitude in this respect, there can be no salvation. Mere increase in the number of Indians in the Executive Council will not act as a charm and it will not make the enemy fly away because of the fear of Indians sitting on the Treasury Benches. It is action and action alone which is required.

Sir, I now come to the second part, about the evacuees.

THE HONOURABLE THE PRESIDENT: Didn't you say all you had to say on Mr. Muhammad Husain's Resolution about evacuees the other day?

THE HONOURABLE MR. HOSSAIN IMAM: Unfortunately I was not present that day, Sir. It is regrettable that the Honourable Member in charge had not graced our House this afternoon. He came only for a few minutes. I for one cannot find words to express my sorrow at the way in which the question of Indian evacuees has been treated in different parts of the British Empire. In Malaya Indians were not looked after. I have it definitely from the statement of Mr. Rajabali Jumabhai:—

“ Later on we telegraphed with the consent of the Government to His Excellency the Viceroy and to Mahatma Gandhi. And it would surprise you to hear it, gentlemen, that neither His Excellency the Viceroy nor even the Overseas Department had the decency to reassure us as to what arrangements they were making for our leaving that country which was continually being bombed ”.

Can you imagine anything more callous, anything which would condemn the Government more thoroughly than this? Here is the appeal of your own countrymen residing in a country which is being attacked by the enemy and you do not even care to reply, let alone giving them succour. *Is this the bright record of the new Government of India.* This is not the end of it, Sir. Mr. Rajabali goes on to say:—

“ The Governor was good enough to telegraph to His Excellency the Viceroy and we were provided with some ships ”.

But what kind of ships? Unseaworthy ships. One of the ships could not proceed after two days' voyage. There is a proverb in our country, “ Sari gai Brahman dan ”, which means that when the cow becomes useless it is given to the Brahmins. Things which are useless, which can serve no useful purpose, are passed on to Indians. We are there to fight the battle of all the British Empire. But our own countrymen are to be treated as worse than slaves. I think the Honourable Dr. Kunzru was perfectly justified in getting indignant on the attitude that the Government at Singapore had taken in the case of evacuation from Penang. Ceylon which is now calling for our help behaved no better than that. Again I should like to quote—

THE HONOURABLE THE PRESIDENT: What is that paper?

THE HONOURABLE MR. HOSSAIN IMAM : This is the Report which Mr. Rajabali made at the Federation of Indian Chambers of Commerce.

THE HONOURABLE THE PRESIDENT : Is it an official report ?

THE HONOURABLE MR. HOSSAIN IMAM : No, Sir. I will paraphrase it. He says that when this ship after 18 days' voyage and lot of difficulties came from Singapore to Ceylon, neither the British Consul nor his Assistant came to inquire as to how they were getting on. Many people were not permitted even to land in Ceylon. And this is the treatment meted out to India after two and a half years of war when Japan is knocking at your door and still you are arrogant and thinking in terms of the old days when you had to carry the white man's burden of ruling the world.

THE HONOURABLE SIR ALAN LLOYD (Commerce Secretary) : May I ask the Honourable Member how there comes to be a British Consul in Ceylon, Ceylon being part of the British Empire ? There are Consuls only in foreign countries.

THE HONOURABLE MR. HOSSAIN IMAM : Probably he was an Indian Agent—British Indian Agent. It is said that people wanted to get down in Ceylon ; they were prepared to pay their fare and still they were not allowed to land. I do not wish to prolong the agony, but I do wish the House to realise why Indians are so bitter and why there is no compromise between the British Government and the public organisations of India. It is because they have not yet changed. They are not realising where they are. They are not treating us as equals, and until they change you cannot have any co-operation which will see India through.

I shall now come to Burma. If you want worse things than Malaya then come to Burma, a country so near to us, a country which was part of the Indian Empire, a country whose defence is still under the Commander-in-Chief of India, a country in which our stakes are so great, a country in which so many Indians resided. What happens there ? Unheard of things have happened there. You remember Abyssinia was conquered by Italy only four or five years back and still when the British Army entered there they found policemen doing their work such as controlling traffic in Addis Ababa. We know that in Singapore one of the terms of settlement was that the police would remain in control right up to the time that Japan assumed control of Singapore. But in Rangoon where Indian money was invested in the shape of house properties and other ways, the police retired from the scene 16 or 17 days before the advent of Japan. *Is it imaginable, is it believable ? It looks like a story in the Arabian Nights, not a story of a Government functioning today in 1942.* As if this was not enough, you needs must open the goal gates and the gates of the lunatic asylum and let loose all the culprits. The police go out, Indians are ordered to leave the country within 48 hours and these people are let loose and that action is taken by a Government which is so close to us as to be under the control of the Secretary of State for India and Burma. And this is not enough, Sir. There is a systematic destruction ; the scorched earth policy is followed and goodness only knows whose properties there are burnt and whose properties are looted because there is no report.

THE HONOURABLE THE PRESIDENT : May I request you not to drop your voice so frequently ? Sometimes you shout and sometimes you drop your voice immediately. I cannot hear your voice.

THE HONOURABLE MR. HOSSAIN IMAM : Sir, it is a fact that in Rangoon the police retired 15 or 16 days before the advent of the Japanese. For four days there was neither civil control nor military control. 3 P.M. Military assumed control only on the evening of the 25th February and we do not know the exact date when the military retired leaving control of Rangoon to the hooligans. This is about property.

Now see how our life was taken care of by the Governmnet of Burma and the Government of India. Sir, it is a long story and as you said that the matter has been discussed I shall only touch the broad points. The Indians who had evacuated from Rangoon were given no facilities for coming to India.

THE HONOURABLE THE PRESIDENT : Were you present when Mr. Bozman gave his explanation ?

THE HONOURABLE MR. HOSSAIN IMAM : Well, I have read it, Sir. I would just remind the House, Sir, that Mr. Bozman recounted the story of how he saw an aeroplane coming full of Indians, but perhaps the House does not realise that this action was taken so late in the day as the 12th March, 1942. Before that there was no arrangement for the bringing in of Indians by aeroplanes. This arrangement for bringing our people from Burma has cost the Government of India Rs. 4 lakhs and odd thousands in the shape of further subsidy in addition to the Rs. 3 lakhs and odd thousands, that was given to Indian Airways. We have given this further subsidy of Rs. 4 lakhs and odd thousands that is Rs. 38,000 a month.

Mr. President, in our own country we do not only play a second fiddle but we are treated as if we were nobodies. I had intended, Sir, to read over portions from the statement of Mr. B. J. Marathi, the Special Evacuation Officer of Chittagong from the evidence which he took, but I think that I have not the time to go through this matter further. I have to revert to what our people who have come back from Burma and those who are left in Burma want us to do and I think they have a right to demand that their mother country should behave as is expected from a mother country to behave ; it should not be a step-mother.

I want, Sir, that every facility should be given to every Indian who wants to leave the country to come back to India. The Government should provide those who cannot afford to have a living of their own with help to start them on their legs again. I want, Sir, that those Indians who are left in Burma, their life and property should be guarded by the Government of India, they should not be left in Burma as if they had no one to champion them. Our armies are fighting in Burma and yet our men are to be treated as if they were of no consequence.

I would ask, Sir, that the Honourable Mr. Aney should try and get the Provinces to make the necessary provisions for the long-term settlement of the evacuees, as that is the work for the Provinces. Only as far as the immediate need is concerned I hold the Central Government responsible, but for a long-term settlement and long-term arrangements it is the Provincial Governments which are primarily responsible.

If we have an Agent in Burma who has sympathies with Indians I would prefer a non-official Indian, Sir, as Protector of Indians because I am not going to deal further with the incidents which were reported in the Assembly as well as in the discussion in this House about the treatment which our Agent has meted out to Indians. In any responsible Government a man of that kind could not have been tolerated for a day.

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Sir, then the Honourable Mr. Jones should also treat these people as they should be treated in justice and equity. They have lost their capital ; they have lost their all, they are in difficulties and still the Department of Income-tax is demanding returns from them, demanding payment of income-tax from them. Is this the treatment which you should give to these people ? It is better that a few people should benefit, illegally benefit, rather than that you should make the vast majority who are real and genuine sufferers, suffer more by exactions of your Department. I think, Sir, that it is not only mercy but it is justice that the income-tax demand should be suspended for the present and afterwards when you have made inquiries and come to definite conclusions they might be given reliefs to which they are entitled, but that is, Sir, a matter for consideration in future. For the present bare justice demands that you should suspend your demand for income-tax and for returns of incomes.

Sir, I have now concluded the second part of my speech. I will now come to the third part, in the part which my Honourable colleagues to the right take a great deal of interest. Sir, I think charity should begin at home. *Those who lecture to the Imperialists to surrender power and to make genuine transfer of responsibility should first try to work upon that principle themselves. The tyranny of the majority which wants to rule the minority, whether it wants to remain under that rule or not must be ended.*

THE HONOURABLE THE PRESIDENT : Mr. Hossain Imam, don't you think that at this stage of the debate, and at this time particularly, all these things ought to be avoided in order that there may be mutual co-operation, good feeling and sympathy, and that we may be able to solve our difficulties ? I would advise you, therefore, not to enter into these controversial subjects.

THE HONOURABLE MR. HOSSAIN IMAM : I am grateful to you for this advice, Sir, but we found that my very dear friend Mr. Sapru flared up—

THE HONOURABLE SIR DAVID DEVADOSS : Is that any reason why you should flare up ?

THE HONOURABLE MR. HOSSAIN IMAM : I am not flaring up.

THE HONOURABLE MR. P. N. SAPRU : On a point of personal explanation, Sir. I did not attack the minorities at all. I never said that they should not have reasonable protection or that we should not compose our differences in a reasonable spirit. I only referred to the statement of a particular League leader. I was entitled to comment on that.

THE HONOURABLE THE PRESIDENT (to the Honourable Mr. Hossain Imam) : I appeal to your good sense not to go into that at this time.

THE HONOURABLE MR. HOSSAIN IMAM : I am not going to deal with this point at very great length. But, as I said, charity should begin at home. *The thing which put my friend's back up was that we were not prepared to be slaves of the Hindu majority. We will never accept that. We will fight it. We will die for it.*

THE HONOURABLE MR. P. N. SAPRU : Die for the Hindu majority ?

THE HONOURABLE MR. HOSSAIN IMAM : Die rather than allow them to establish their supremacy. You can accept that from me.

THE HONOURABLE SIR DAVID DEVADOSS : We will talk of dying after passing this Bill !

THE HONOURABLE MR. HOSSAIN IMAM : What was the thing which put the Honourable Mr. Sapru's back up ? I was present at that huge meeting last night. We sat till about 12-30 A.M., Qaid-a-Azam's only demand was that he will not accept subjugation. He does not want to rule over you. You want to rule over Pakistan. But we only say, "Baba, we have no confidence in you ; your record has been bad enough formerly ; please allow me, under the Shastras, to have a partition suit and to take my share and live in peace and amity". But the big brother is not content with giving us the share to which we are entitled under the law. He needs must insist on joint family property remaining with him to mismanage.

THE HONOURABLE THE PRESIDENT : Under which law ?

THE HONOURABLE MR. HOSSAIN IMAM : Under the present Anglo-Hindu law. We are in the Hindu country and we are prepared to abide by the age old provisions there are.

THE HONOURABLE MR. P. N. SAPRU : I am glad I have converted you to our faith.

THE HONOURABLE MR. HOSSAIN IMAM : I want my friends to understand that flaring up, getting into a temper and saying wild things, do not help to compose differences, but will simply accentuate the position. *Even at this moment, when the enemy is at our doors, you are intolerant and cannot stand a modest demand for free self-determination.* You ask Europeans to hand over power to you but you are not prepared to give the same power to those who fortunately or unfortunately do not agree with you. Is that the way in which you will get the freedom of India ? You cannot do greater harm than by attacking our leader. Consider the position. My friend flares up at Mr. Jinnah. But Mr. Gandhi can, with immunity, preach opposition to the war on the plea of freedom of speech and yet he is to be revered and his opinion is to be treated with weight. Mr. Sapru said that he does not agree, but he does not find fault with it. A party leader can remain in Axis countries and give broadcasts, and members of that party can form His Majesty's Government in a province and there is no fault found with that. We do not attack that. In my friend's politics there are things which plain English does not express. For instance, it is difficult to understand no-party leadership. How could you have a leadership without a party ? But we have that. A man can belong to a political party and yet in his individual capacity can join the no-party conference. These are the things which not only those outside the Congress do, but even in the Congress there are people who do such things and they are incomprehensible to us who know only the ordinary plain meaning of English words. I know what my friend Mr. Sapru refers to. There has been a repudiation by some men that they do not belong to the Subash party. But simultaneously with that, perhaps you will remember the pilgrimage which the two Ministers made to Madras to see the present leader. There are things which are incomprehensible. I plead that I cannot understand. I do not understand the politics of my Honourable friends, but I can say this much that I do not refer to any particular individual, Sir. I refer only to what is happening in the country. Sir, we have had enough of this quibbling. Now let us come back to the main issue before the country today. The main issue before the country today is, what is to be the future of India ? The future

[Mr. Hossain Imam.]

of India can be darker still than it is at the present moment, and it can be bright as a star. If the Japanese come, it will be a gloomy day. As my Honourable friend Mr. Sapru said, it will be a negation of everything democratic—

THE HONOURABLE THE PRESIDENT : Then why not settle amongst yourselves ?

THE HONOURABLE MR. HOSSAIN IMAM : That is what I am going to urge, Sir. There is the possibility of there being no compromise with the ambassador of Britain. Even then, the prospect for India will be gloomy enough, because these are days of total war, total efforts, total organisation and full, complete and single control of production, which only a true national Government can do. Bureaucracy has failed to do it and the pseudo-national Government which you are forming will fail to do it. The only salvation of India lies in there being a settlement. Here there are three parties. The British who have the power to give ; the Congress, I will not refer to Hindudom, but Congress which is the most powerful organisation of non-Muslims and which is also the oldest and best organised party ; and the Muslim League. (*Interruption inaudible.*) Well, Sir, the Government of India by the presence of eight Indians in it has not ceased to be a British Government of India. Are you prepared to say the Britishers have retired because there are eight *versus* four in the Cabinet. I am really surprised that the Honourable Mr. Mahtha makes the suggestion. A single swallow does not bring spring. I was saying that unless the Government and the Congress and the League come to a settlement there can be no peace. I would appeal to all the three to forgive and forget, to try and work for the betterment of India and to sink as much of their differences as they possibly can. But there must be no dictation. Let us join together for the purpose before us and join with a clear intention of working for the best interests of India. It is only if you are prepared to come to an understanding with the people of India that you can save India. In these days of total war hanky panky measures will not see you through. Look what happened in England. Why did the Chamberlain Government resign ? His hold on the Conservative Party, the party in majority, was so strong that Honourable Members will remember that he remained the leader of the Conservative Party in spite of his resignation from the Premiership and Mr. Churchill did not get that position even though he assumed the Premiership. It was because the common people were not willing to uphold Chamberlain's Government that that Government had to go out. Similarly, if you just wish to make a show of having Indian Members of the Executive Council there is no one to prevent you from doing it. You can ignore the Congress, the Muslim League and everybody. You can have a Government of your own. You can ignore the League and form a Government with other mushroom organisations of those self-seekers who are today in this organisation and the next day in another. You can have that, but will they be able to deliver you the goods ? You want total effort. You want India to realise and to fight to the last man as they are doing in China. That can only happen if its trusted leadership is at the helm of affairs.

THE HONOURABLE THE PRESIDENT : There are several other speakers to follow. With this morning's continuation you have spoken for nearly an hour and a half.

THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, I shall now close my remarks. I have many things more to say but as the time is short I will not go into them.

The Government must realise that domination is at an end and surrender must be the keynote of their policy. But realise this, Hitler is calling for a New Order, Japan is asking for Co-Prosperity—

THE HONOURABLE THE PRESIDENT : And you must adopt the same policy.

THE HONOURABLE MR. HOSSAIN IMAM : I say that you were also called upon to issue an Atlantic Charter, but you held that India was not subject to it. A humorous reference was made in the Assembly that if India comes under Germany it will be entitled to the benefits of the Atlantic Charter and not before that. That was the statement made by Sardar Sant Singh. I said that you also felt called upon to make an announcement. *Now the necessity is that there should be no announcement but action, the surrender of power not only by Englishmen to Indians but also by the majority to the minority communities, from the capitalists to labour; and we must have a new world, a new order based on equity and justice, an order which Indians would feel proud to live in.* It is only the establishment of an order of that nature that will bring out the effort needed to carry on this war.

Sir, it is known that my party has decided to oppose this Finance Bill. The Nawabzada Liaquat Ali Khan in his lucid speech has clearly stated the reasons for the decision which we have made. I am not going to traverse that ground again because the time is so short, but I may say that opposition does not mean that we are opposed to the war efforts. We are opposed to the present executives.

THE HONOURABLE SIR ALAN LLOYD (Commerce Secretary) : Sir, I only wish to take the time of the House for two or three minutes because I think it is right to make some explanation in connection with the remarks which were passed by my Honourable friend Mr. Sapru this morning when he drew attention to the absence both of myself and of my Honourable friend the Commerce Member from the House at the time when he wished to elicit some information on a matter which he felt concerned us. The excuse for our absence on that occasion and equally yesterday morning must be, Sir, our extreme preoccupations with urgent affairs of State, and the business in question brings me to my answer to certain remarks which I am told were made yesterday by my Honourable friend Pandit Kunzru regarding the wheat situation. He, I understand, expressed anxiety to be assured that the Government of India was laying its plans for the coming crop year in good time so as not to be caught half way through the year with an unsatisfactory position. I can assure him that we are giving that matter our very close and earnest attention, and it was in connection with discussions on that very subject that I unfortunately found myself unable to be present in the House during the times to which I have made allusion.

My Honourable friend Mr. Sapru wished to know something, I understand, about the American Technical Mission. The American Technical Mission is just about to arrive here in order to see what assistance they can give India in keying up the Indian war potential to the maximum for the purpose of the prosecution of the war. For that reason the subject of the Technical Mission's work is a matter primarily the concern rather of the Supply Department than of the Commerce Department, and I am afraid I am

[Sir Alan Lloyd.]

not in a position to speak at great length upon the subject. I gather, however, that there might be some anxiety felt as to whether there were implications of a long-term character in this visit and I can say safely that there is no reason to apprehend anything of the kind. The work of the Mission can, I think, be conveniently divided into two parts ; firstly, attempting to help us to supply the maximum of the materials for war which we ourselves produce, and secondly, to see whether the manufacture of finished armaments and other industrial products used in war can be, at short notice, stimulated with American assistance in this country in order that the demands which this country as a belligerent is making upon America as an Ally for the shipment of those products may be reduced, with consequent lessening of the pressure of demand upon American industry which in spite of its colossal dimensions is heavily burdened with its own preparations for war and in order also to do something to relieve the pressure which is now almost unbearable upon shipping space. The problems that will be faced are short-term problems and I feel that India instead of being suspicious of the motives of this visit—I do not suggest that suspicions were entertained by my Honourable friend, but certain persons speaking in the other House have expressed their suspicion—I feel that India should not be suspicious but should be grateful to America for offering assistance and sending these visitors to see how they can render assistance.

Coming to a different subject, Sir, I again unfortunately was absent, but I am told that yesterday my Honourable friend Sir Ramunni Menon spoke about the Reconstruction Committees and wished to know whether these committees would confine their attention to economic conditions or whether they would extend their activities to cover other departments of national life and in particular, I understand, health and education. Well, Sir, it is perfectly true that the Reconstruction Committee which have been set up were set up primarily to deal with economic problems. I would invite attention to the Press Note which we published in June, 1941, when these Committees were set up. The opening words of that Press Note drew attention to the great and steadily increasing dislocation of economic, and particularly industrial, conditions caused by the war and to desirability of avoiding an equally great but more abrupt dislocation of these conditions if on the return of a state of peace we were found unprepared. I do not think I can very well improve upon those words as a short statement of the objects for which the Reconstruction Committees have been set up and it will, I think, be agreed that committees set up to discuss problems of that kind will not ordinarily, except perhaps indirectly and remotely, be able to deal with questions such as those of health and education. I would submit to my Honourable friend that there is great force in the word " reconstruction ". So far in India as a whole—and we hope this will remain true throughout the war—we have not had that violent dislocation of governmental and other effort in the matters of public health and public education which has been inevitable in matters of economic life and industrial development. The word " reconstruction " would hardly be appropriate to committees or investigations directed at long-term planning for that progress which we all wish to see in these matters of health and education after the war. So far as the Commerce Department is concerned, that Department may readily suggest that inquiries of that kind should not be regarded as part of the problem of reconstruction which is essentially an economic problem, but, desirable as they may be, should properly be dealt with on other lines.

There was one matter also that perhaps affects my Department that was mentioned by my Honourable friend Mr. Mahtha. He made the suggestion that an office should be opened, and I think he suggested that it should be opened by the Commerce Department, in which those who have lost their property in Burma and other countries occupied by the enemy might register their claims with a view to their consideration when happier conditions return. I do not wish to say anything about the merits of that suggestion, but I only wish to point out that if such an office were opened and it were attached to the Commerce Department, that must be a mere matter of machinery and procedure, but that the question of recovery of claims in respect of damage suffered in other countries is not in principle a matter for my Department ; and I will therefore respectfully suggest that that point should be treated as part of the general question of compensation and relief which will, I think, be dealt with on broader lines by my Honourable friend the Secretary in the Indians Overseas Department.

THE HONOURABLE MR. G. S. BOZMAN (Secretary for Indians Overseas): Sir, I wish to be as brief as possible as it is now late and I hope to traverse quickly the various points raised which affect the Department of Indians Overseas. I listened with interest to the speech of Mr. Hossain Imam. I fear that the version of my previous statements which he said he had read must have been very incomplete as it was obvious that a number of the points to which I had previously referred had escaped his notice. I also found some difficulty in what he said in determining whether he was really ascribing responsibility to the Government of Burma or His Majesty's Government in the United Kingdom. I think therefore it will be convenient to the House if I turn to specific points raised by my friend Pandit Kunzru and one or two others earlier in the debate.

I shall mention first the possibility of evacuation from Ceylon. I should explain exactly what the position adopted by the Ceylon Government is. The Ceylon Government have not issued any instructions for general or partial evacuation on, as it were, national lines. The Ceylon Government have said that all non-residents in Ceylon should leave Ceylon as early as possible ; but with regard to residents in Ceylon they have said that all women with children who are non-Ceylonese and are not employed in work essential to the war effort are advised to take steps to leave Ceylon at their earliest convenience, but no compulsion is brought upon them. That being the position, we feel that having seen what occurred in other places the time has arrived for preparations to be made for considerable movements from Ceylon towards India. We have therefore communicated with the Madras Government and with the railway authorities concerned and we are now in constant communication with our Agent in Ceylon in order that all preparations that can possibly be made are made in advance to assist a possible large flow of refugees from Ceylon into India.

Now, Sir, I turn from Ceylon to Malaya. I have very little to add with regard to Malaya to what I have said on previous occasions. I have, however, two small points to mention which were raised by my Honourable friend Pandit Kunzru. He spoke of free passages having been supplied for European evacuees from Singapore whereas all Indian evacuees had to pay for their passages. It is clear that we cannot get a final decision as to whether or not that allegation is correct but I may inform the House that this has been specifically denied by a gentleman who returned from Singapore. Further than that I am not prepared to go. We have also had mentioned the apparent discourtesy with which a ship of refugees was received in Batavia both by the

[Mr. G. S. Bozman.]

authorities of the Netherlands East Indies and by the British Consul. There again I have been unable to obtain any further information than the statement made for obvious reasons, but all these points, including the point made about the Europeans having had free passages provided for them, have been placed before His Majesty's Government for consideration when circumstances permit.

I should also like to make one further reference with regard to Malaya, since it was referred to by Mr. Hossain Imam. I am a little surprised that he read out Mr. Jumabhai's statement that the Government of India had made no reply to the request for assistance. It was explained to Mr. Jumabhai in person here in Delhi that in fact a reply was sent. That reply probably did not reach Singapore, but a reply was sent and I think it is a little unfair in those circumstances to charge the Government of India, as Mr. Hossain Imam did, with lack of decency.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : When was the reply sent ?

THE HONOURABLE MR. M. S. ANEY : Within 24 hours of the time when we received the telegram.

THE HONOURABLE MR. G. S. BOZMAN : Now, Sir, I shall turn to Burma. My friend Pandit Kunzru related the information that had reached him and expressed the hope that I should be able to tell the House that things are a little better than had been reported to him. I think I can say that things are a little better.

With regard to camps inside Burma and provisions inside Burma I have two reports, not of very recent date, but possibly of more recent date than the information which was given to Pandit Kunzru. On the 27th of last month our Agent reported to us that camps and food had been organised along all the land routes inside Burma. He went on to say that these camps were necessarily at that time of a somewhat primitive character. On the 5th of March, roughly a week later, the Burma Government reported to us that they had appointed additional officers along the routes, that they had sent additional medical personnel, that they had organised convoys of women and children, and that they had organised local committees at towns through which the routes pass to advise refugees, that they had established rest camps with supplies also, and this covers another point raised by my friend, that all district officers along the routes had been informed of the stories told by refugees of their experiences. In other words, district officers throughout the route had been instructed what difficulties they should attempt to overcome on behalf of the refugees and, a day later, Mr. Hutchins reported to us on the 6th March that the Burma Government were making the most strenuous efforts to inoculate all refugees at headquarters camps before they started on their long road journey. I shall refer later to one more point with regard to the camps in Burma but I think I had better go straight to the roads which come into India from Burma. As I explained the other day there are different routes. Camps are provided for all people at convenient stages along all routes up to Imphal in Manipur and the number of Indians now proceeding along the road from Tammu to Imphal is 1,500 a day. It is hoped that that number will be doubled within the course of a few days more. The reason why the number cannot be doubled now is that the alternative route from

Imphal onwards is not yet completed but camps are now being organised with stocks of food, water and medical supplies along that route. As soon as that route is opened and as soon also as additional transport accommodation has been provided the numbers can again be increased. I should like to inform the House in that connection that Major-General Wood, the officer in charge of the construction of the military road has arrived in Delhi this morning and that the Honourable Member in charge of this Department will be conferring with him tomorrow with regard to all arrangements necessary to assist refugees to come out from Burma.

Pandit Kunzru asked me what had been done with regard to supplying refugees with information regarding the route they had to travel. I have mentioned what the Burma Government have done with regard to their own district officers. I have in front of me a copy of a statement, rather a notice, issued by the Deputy Commissioner of Prome with regard to the Prome-Taungup route and I have a copy also of a map, as it were, of the northward route issued not by the Burma authorities but by a private Muslim Association at Monywa. Whether the Burma Government have now been able to issue pamphlets or guides for the journey I have not yet been able to ascertain.

Pandit Kunzru also referred to the necessity for providing more railway staff and accommodation at rail-heads in India. That is a matter which has already engaged Major-General Wood's attention very closely as it concerns both the military aspect and the refugee aspect, and I can assure the House that that is not a matter which is being overlooked. It will also be necessary, when the alternative route from Imphal is open, to provide extra accommodation of the same kind at Silchar as well. It was suggested that we should have our own representative at Tammu. We have our own representative, Mr. Higgins, in charge of the whole route between Imphal and Tammu and I shall be greatly surprised if he has not spent a lot of his time at Tammu. That however may not be enough. He has a non-official Assistant. He has also a police officer assisting him. That again we have not thought enough because it appeared to us, as suggested by Pandit Kunzru, that it was necessary for someone to be able to speak to the refugees in their own tongue. We have sent three Deputy Collectors and four Inspectors of Police, kindly lent to us by Provincial Governments in the South who speak Telugu, Oriya and Hindustani.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: When were they sent ?

THE HONOURABLE MR. G. S. BOZMAN: I shall have to verify the date. It was a few days ago I think but I am not sure that they all started at once. Their services will be utilised in Assam or in Burma on the road according as Mr. Higgins might think that they will be most usefully employed. We have also obtained with the assistance of the United Provinces and Punjab Governments a party of 150 police from India who will also be placed at the disposal of Mr. Higgins for use whether in Burma or in India as circumstances demand.

The Honourable Pandit Kunzru also suggested that I should be relieved of my work in my office for a period of about three weeks and accompany two members of the Standing Emigration Committee to Tammu. Personally, there is nothing that I should like better. I cannot at this stage say whether the proposal is one that can or cannot be accepted, but it is one to which we shall certainly give the most careful attention. Finally, I was asked, as I

[Mr. G. S. Bozman.]

was asked the other day, to give the figures of evacuation by air. There-again, thanks to some interruption in communication with Burma, I cannot give the figures of Europeans and Anglo-Indians separately. The total number evacuated during the last fortnight by air is approximately 3,000 and, as I said before, I think that indicates efforts on the part of the Chinese National Airways Company and Indian National Airways Company for which we should be grateful.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Is the Honourable Member now in a position to tell us whether the Air service was used in the first instance for the evacuation of Europeans and Anglo-Indians exclusively or mainly ?

THE HONOURABLE MR. G. S. BOZMAN : So far as the Government of India are concerned, the aeroplanes supplied to the Government of Burma for the purpose of bringing out evacuees were specifically supplied for the use of all without respect to race or creed or caste. I am informed that a private charter was arranged before the Government of Burma scheme was put into force.

Other speakers referred to the charges of racial discrimination which have been brought by those returned from Burma. I have said it two or three times—I can only repeat it—that the Government of India have set their face against racial discrimination, and I believe I am not wrong when I say that every Member of this House, of any race, would regard racial discrimination in a matter of this kind as unworthy. I should, however, make one plea in this respect, and that is, that the stories of racial discrimination should in the first instance be treated with discrimination, not racial discrimination. I mention this because a charge was brought in this House the other day against a British officer of the Government of India, and I then asked that I should be supplied with the evidence upon which the charge was brought. I regret to say that the evidence has not reached me. In the meantime, I have made my own inquiries so far as possible, and so far as the meagre information supplied to me made possible. I have received a statement from the officer concerned to the effect that he was involved in no such incident nor can he connect the allegation with any incident which came to his notice. I say, then—

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : As far as that is concerned, I have asked the gentleman who was a passenger on that steamer and from whom the information came—I have also informed the Honourable Member the very reliable source from which the information came to me. I am trying to get the written statement of that gentleman, who was a passenger in that steamer.

THE HONOURABLE MR. G. S. BOZMAN : I should be grateful if the Honourable Member will forward to me as early as possible such information as may come into his possession. I note only that the charge was made some five or six days ago and I have not yet been informed of the basis of the charge.

Certain other points were raised,—relief with regard to income-tax, compensation for property lost or destroyed and the method for recovering investments in Burma. These are matters which will be given careful consideration by the Government of India, and I can state now that they will be considered with the utmost sympathy. On one point I can give the House

a little information. The Burma-Indian Delegation, which is now in Delhi and which, I believe, is shortly forming itself into an Association, interviewed me yesterday and they made an offer of their services with regard to all persons from Burma who had sums owing to them by the Burma Government. Any such Indian can send a statement of his claim to the Burma-Indian Delegation and they have very kindly promised to make lists of these claims and forward them to my Department where we shall put ourselves in touch on their behalf with the Government of Burma.

I do not wish, Sir, to prolong the statement I have made today. I have recently made two statements, one in the other place and one here, with regard to the policy of the Government of India and the Honourable Mr. Aney is now here today to tell the House in his own words what his policy is.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : May I know if the Assam Government has appointed any planter or the wife of any planter to look after Indian evacuees ?

THE HONOURABLE MR. G. S. BOZMAN : I believe, Sir,—but I have not got the reference here with me,—that planters are engaged on constructing the camps along the over-flow road from Imphal to Silchar. Whether their wives are in charge of the camps in any respect I am afraid I am not in a position to say.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, yesterday I had no mind to speak on the Finance Bill owing to my present state of health, but I want to make only a few observations which have been necessitated by the remarks of some of my Honourable Muslim friends. This is a time when no useful purpose can be served by raising communal issues or by Muslims regarding themselves as separate nation. They must regard themselves as members of one family and have their share due to them in the new constitution. Yesterday my Honourable friend Mr. Muhammad Husain described Mussalmans as a separate nation. I cannot understand how Mussalmans in India are a separate nation. As far as my information goes and from what I know of the past, even in the reign of the Moghal Emperors, the Mussalmans had better relations with Hindus in India—

THE HONOURABLE THE PRESIDENT : Please do not go into communal questions at this stage. Avoid it as far as possible.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I am advocating universal brotherhood. Even with some sacrifice, with a goodwill mission, we ought to promote brotherly feelings and not take any steps which might widen the gulf between the Hindus and Mussalmans. I simply want to tell the House that 98 per cent. Muslims in India are converts from Hinduism. There is only a very small percentage of 2 per cent. Mussalmans who did migrate into India from other countries. I have got my best friends also in the Mussalman community and I know of a number of families who have been dealing and are even now dealing on the basis of universal brotherhood with other communities.

[Rai Bahadur Lala Ram Saran Das.]

Then comes the question of extending full co-operation to Sir Stafford Cripps. We should warmly welcome him and extend
 4 P.M. him all the co-operation that we can, and, as has just been said, instead of widening the gulf by brandishing aloft Pakistan and other schemes, we should get together. As far as I know, the Hindus are quite prepared, but no one can expect co-operation if the country is to be divided up into pieces on a purely communal basis. Sir, I will not deal with other aspects of the budget. I simply want to appeal to all Muslims to promote brotherly feelings that as this is the time of war fullest co-operation is necessary. Suppose a Hindu becomes a Muslim, does he thereby become a member of another nation? I cannot understand how that idea of a separate nation can be justified. Then, Sir, my Honourable friend Mr. Muhammad Husain also observed that there is no such thing as a Hindu religion. Nobody will agree with him in that. I know that in the first constitution of reforms the word "Hindus" has been eliminated and for it "non-Muslims" have been substituted. I do not want to go into these details and discuss justification or otherwise of this change. All that kind of unfortunate controversy should cease and we should act like brothers and try to help Sir Stafford Cripps in his goodwill mission to solve for ever this constitutional deadlock in India.

Sir, my friend Mr. Hossain Imam also observed that the policy of Supply Department is responsible for rising prices of potatoes. Perhaps my friend does not remember that prices are always controlled by demand and supply and higher the price better for the agriculturist. If the supply is more than the demand the prices fall; if the demand is more than the supply the prices go up. As far as my experience and information goes, the present Supply Department has improved matters a great deal and has effected a great deal of economy.

I want to deal now with the composition of Civic Guard. They are at present recruited without an inquiry into the antecedents and past career of persons enrolled. This is a very important matter. My information is—and if I am wrong I may be put right—that a number of ex-convicts and bad characters are joining the Civic Guard. It is very necessary that this should stop forthwith if my information is correct.

I do not want to dwell on the subject of the policy of our Party on voting on the Finance Bill. That has already been explained by the Honourable Pandit Kunzru and I need not repeat it. The members of our Party have decided not to oppose the Finance Bill but to remain neutral.

THE HONOURABLE MR. M. S. ANEY (Indian Overseas Member): Sir, it is always a great pleasure to me personally to be present whenever an important debate in this House takes place, because I know there are here some of my well-known friends sitting on any one of those Benches opposite who are known for their close study of problems with which for a few months past I have been called upon to deal in my capacity as Member for Indians Overseas. And therefore it is always interesting and instructive to listen to criticisms coming from men who have made a very careful and special study of those problems. But I was of opinion that I should be here only to listen to what is being said by them and I have left the work of explaining the position of the Government in regard to all these matters to the able Secretary who represents my Department in this House. He has been doing that work very satisfactorily for all these days and there was no need for

me to add my voice in support of whatever he has already said. But the last time I was here I went away when he was making his speech. It was considered by some of the Members as something amounting to lack of courtesy on my part to the Honourable Members of the House. This time I thought I should not be guilty of that. I thought my case was left in able hands and there was no need for me to do anything more ; but if there is any justification for me today to speak it is not because there was anything very important not said by Mr. Bozman, but because I want to show that my own personal sentiment is entirely in accord with the sentiment of the Honourable Members of this House. The honour of this House is a matter of deep concern to me and if any act of mine has smacked of any discourtesy I tender an unqualified apology to the Members of this House.

Coming to the specific points raised by some Members, I must first confess that my duties required me to be elsewhere when most of the speeches which had some bearing on the problems of the Overseas Department were discussed here. I only heard a fraction of the speech of my Honourable friend Mr. Hossain Imam, and the points that he has dealt with have been already dealt with by Mr. Bozman. It is true that cases of racial discrimination have been very prominently brought to the notice of the public and the Members of this House. I am the last man to deny that such a thing has taken place. I made a statement to that effect and nothing has pained me more, as representing the Government of India, than that such things should have taken place at a time when the need for harmony and concord, for mutual understanding and co-operation between all sections of the people, British and Indian, is so paramount. I make no attempt to explain away those things, but I want to say a few words which I believe Honourable Members will show me the indulgence to listen to with care. The most annoying case of discrimination that we have had reference made to so prominently is with regard to the evacuation of European officers and population from Penang. It was that case which has been pointedly referred to in the press and which was also most severely criticised by Mr. Jumabhai and others. It was a most deplorable event, and Honourable Members will probably feel some satisfaction when I say that even the Governor of Malaya thought it necessary to express his regret at what was done at Penang by the European officers. He has explained at a Conference his own position, and has expressed deep regret that such things should have taken place. The Government of India really feels distressed that a thing like that should have taken place in a place like Penang. But I want Honourable Members to understand what is the precise scope and functions of the Indians Overseas Department. The Department is no doubt there to look after and watch the interests of Indians overseas within the Empire and now for certain purposes even outside the British Empire. It has been our standing complaint that the interests of Indians are not being properly and justly dealt with by some of those Colonial Governments and Governments which are not self-governing Colonies but in the nature of Dependencies and so on. The Indians Overseas Department, along with the Indian public, have been protesting against that policy and trying to see if a change could be brought about. It is well known that no change was really brought about when the Indians Overseas Department was taken charge of by me. We were only fighting and in the meantime the war broke out in the Far East and if we find that those people have forgotten their real obligations to the people of India at a time like this and succumbed to their unjust instincts in this matter, it is a matter for condemnation by both the Government of India as well as the people of this country. You cannot condemn the Government of India unless they feel on this matter in a manner

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different from you. All it can do is to lodge a protest against the particular Government whose people are found lacking in courtesy and even humanity to the people of India and in meting out proper treatment to them. In this connection you are also to bear in mind that as regards the incident of Penang it is connected with the Government of Malaya. Today the Government of Malaya does not exist. Our protest is only a matter of record and in that I assure this House we have not failed. We have made our protest with the proper authority. And neither the Government of Malaya nor anybody else can be condemned, unless the matter is thoroughly investigated into for the purpose of finding out the extent of guilt of anybody. Till that time we have to wait and rest content with the fact that those who are responsible for the people of India have done their duty in lodging a complaint at the proper place. That thing we have done. It is a pity that the same thing can be said about the treatment that was meted out to certain Indian passengers—evacuees in a ship. They were not allowed to get down on the shores of Java, Batavia, or some other places. The same position is there. Therefore all those incidents which indicate that the Indian people are treated contemptuously and unjustly by Governments which are now no longer in existence or which are more or less on the point of being liquidated are matters in which we have to be content with expressing our indignation at what has taken place. I am glad that the expression of opinion here will strengthen the hands of the Government of India in putting forth the Indian case before the proper authority with all the emphasis that I can command.

Now, coming to matters nearer home, the evacuation from Burma, it has been very frequently stated that no arrangements were made for their evacuation at an early stage. Now as soon as we found that there was a danger of an invasion of Burma we took the earliest steps that we can of requisitioning every ship that we possibly could for helping the evacuation of the people by sea. The people were anxious to go by sea and not anxious to go by the land route which was more troublesome and which required a very long journey to be made under most trying conditions. In this matter in co-operation with the Defence Department we tried to bring as many ships as we can. A large number of persons have taken advantage of those facilities and have actually come to India at different ports. It may be that in the case of giving facilities, probably some local officers may have shown discrimination. But when a general charge is made it is very difficult. Unless specific instances are given we cannot pursue the inquiry and bring home the offence to the proper offender. Wherever any allegation like that is made, we try to get details. The Honourable Mr. Muhammad Husain who made a speech the other day will certainly oblige us by giving the necessary details, the name of the ship, persons concerned, and so on, so that we may on that evidence see whether there was any responsible officer whose duty it was to protect the interests of the Indian people there who was himself guilty and whether the Government of India could deal with him in the proper way. No man can be punished unheard, no man can be dealt with without a proper charge being framed—a charge which one can understand and answer. That is the reason why we insist upon him to give us the necessary details. It is true that many people have made a complaint that a certain route is open to Europeans only. Honourable Members know—and I think that Mr. Bozman has explained at length—the two routes which are being mainly used by the Indian evacuees for coming down to India, one being *via* Manipur and the other *via* Tongpu. These are the two routes. As regards the question of using the Manipur Road, you come to Tammu, a frontier place, and from

Tammu to Pallel there is a certain section of the road which is under construction or repairs. Honourable Members of this House ought to know that that is also a road required for essential military purposes. So the Defence Department is busy in constructing that road and the sooner it is constructed the better. It is in the interests of India's defence and also in the interests of taking our supplies to China which is our ally fighting on our side. The military importance of that road cannot be neglected and if speedy construction requires that it should be sparingly used and not used indiscriminately, supreme military necessity has to be taken into consideration. We have to submit to their decision. But a diversion has been made by which, as Mr. Bozman has informed the House, something like 1,500 people are being allowed to go every day. The latest information in our hand is that along that route certain camps have been established, facilities for food supply and conveyance have been arranged and passengers can leave by lorries. Now it is true that people wish to come in larger numbers, but a limit has to be imposed in view of the facilities which we can give at the other end. If the capacity of the lorries is 2,000 people it is no use allowing 5,000 people who will unnecessarily come and overcrowd at a point where it will be impossible to make proper arrangements for food. It is better to keep them at a camp where arrangements can be made for them, so that they can complete their journey without trouble. This is a matter which the local officers in charge have to bear in mind. Of course there are also the difficulties arising out of that. I am not going to say that there were no cases of discrimination at all. I am not in a position to say that. I can only say that I have heard a number of instances but we have not yet come to a point where the particular cases mentioned could be considered as definitely proved.

Now leaving the question of racial discrimination one more point I want to bring to the notice of Honourable Members. I want Honourable Members to look at this thing from a humanitarian point of view. It is a work of mercy, an act of mercy. Thousands of people have suffered on account of certain unforeseen things taking place in Burma and have had to go through miseries, and we have to look after their comforts. It is an act of mercy that we have to do and therefore this act is one in which the co-operation of every people, every man, is necessary. I am glad to inform the House that there are non-official agencies in Calcutta and other places which have done splendid work and whose co-operation has enabled the Government of India to do their work much better than they would otherwise have been able to do by themselves alone. I also wish that their example is largely imitated by similar agencies in Assam also. The Government of India has been giving the evacuees free railway fares; they are prepared to feed them also but if non-official agencies are doing this work we do not want to encroach upon what they are doing in a better way. With regard to medical assistance we have said that if the assistance now given is not found sufficient more assistance can be sent. There is no doubt that with the co-operation of the people this most troublesome problem, which is bound to attract our attention more and more every day for some time to come, has to be tackled by us. I am sure that the Government of India with the help of the people will be able to do their utmost to minimise the miseries through which these unfortunate people have to go. So far as the policy of the Government of India is concerned I think I have said enough to indicate what the nature of that policy is and there is no other specific point with which I think I should deal. I do not want to deal with matters which have been touched and dwelt on by Mr. Bozman. I only wish to say that any criticism of the measures

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taken by the Government of India will be welcome to me because that might enable me to warn the officers who are in charge of it as to what is the proper thing for them to do and see that best comforts are given to the evacuees.

One more point, which my Honourable friend Pandit Kunzru raised and to which reference was made by Mr. Bozman, was the suggestion that some responsible officers of the Indians Overseas Department should go with a few members of the Emigration Committee. That is a suggestion which I think I can assure him will be considered very seriously. Let me tell him that I am a great believer in supervision. That is the reason why I had sent from my office Mr. Pai to go and visit certain ports and inspect the arrangements made at two or three important ports for the benefit of the evacuees. He went to Madras and Calcutta and as far as Chittagong. Then a few days after Mr. Bozman himself went and visited Chittagong and saw the arrangements made along the route *via* Akyab which runs from Burma and he has brought a good deal of information and made the necessary suggestions to all those who are concerned and engaged in that kind of work on the route.

Now, Sir, soon after the Assembly session is over and that immediately we are free, either myself or my Secretary or some other responsible officer will be going personally and seeing the arrangements for themselves with such number of the non-official members as on later consideration we might think it possible to have. For me to say anything more than that would, I am afraid, be in the nature of a mere repetition of what Mr. Bozman has already said. I am grateful to the Honourable Members for showing me the indulgence to listen. (Applause.)

THE HONOURABLE MR. C. E. JONES (Finance Secretary): Sir, it is my duty first to convey to the House the extreme regret of the Honourable the Finance Member that he has not been in a position to attend the debate on the Finance Bill. As Honourable Members are aware, when conditions render it possible the Finance Member comes in person and listens to the debate in this House, but on this occasion during both days of the debate he has been practically continuously occupied both in the Legislative Assembly and outside it with work of an important nature requiring his personal presence, and in the circumstances it has not been possible for him to attend. I sympathise with the House and I must ask them to put up with me as a poor substitute.

The discussions on the Finance Bill this year, Sir, as usual, have covered a very wide field, and in the gravity of the present times it is not surprising that the matters raised have been of supreme moment and of very great importance. The importance of the times, the importance of the issues raised, could have been felt during the discussions by the gravity of the discussions and the obvious sincerity of the speakers. Five spokesmen on behalf of Government have already replied to questions of general policy, military strategy and other important matters which at present are exercising the mind of the public, and it remains for me to conclude the debate by dealing with such points as have been raised of a financial nature. These points have been few, Sir. It perhaps is not surprising that at a time like this purely financial considerations must tend to give way to matters of more fundamental importance.

In so far as criticisms of the provisions of the Finance Bill raised during this debate are concerned, such criticisms have been largely absent and in so far as this reflects a general measure of acceptance of the general policy embodied in that Bill, the Government and the Finance Member in particular are grateful. It seems rather like a descent from the sublime to the ridiculous for me to have to wind up the debate on the level on which it has been conducted for these two days, by dealing seriatim with financial issues, many of which are of comparatively trivial importance. But I feel it necessary out of courtesy to the House and to those Members who raised these points to do what I can to meet them.

First of all, Sir, I will deal with what I might call purely clarificatory points. The first one is the point raised by my Honourable friend Pandit Kunzru in respect of Lease-Lend supplies. I find it a little difficult to know how to put the matter because it seemed to me that the explanation given by the Honourable the Finance Member in the other place put the matter beyond any possibility of doubt. But the Honourable Mr. Kunzru has evidently found some difficulty in realising the exact position and has asked me to explain it further. I will try and put it in a series of plain straightforward statements. The first one is that the total value of Lease-Lend stores which, when the Budget was prepared, was considered likely to be received in India amounted to Rs. 11 crores in the current year and Rs. 34 crores in the next year. That was an estimate necessarily rough because it must depend upon war developments, shipping situation and so on. But it was, I repeat, a rough figure of the total supplies expected to be received in India for all purposes and has no direct connection with our Budget whatsoever, and those figures do not appear in the Budget at all. Of the supplies represented by those amounts, all stores received on Lease-Lend terms in India which will be utilised for the forces outside the frontiers of India will be purely on His Majesty's Government's account and they do not affect us at all. Of the balance, *i.e.*, of the stores which are required for India's defence in India itself all except vehicles will be on His Majesty's Government's account because His Majesty's Government supply us free with this equipment not under the financial settlement but in accordance with the policy which they have undertaken, we get these things as a gift from His Majesty's Government, and His Majesty's Government get the benefits and assume all the Lease-Lend obligations in respect of them. None of these affect our present Budget. There remains, therefore, of all the Lease-Lend supplies received in India, only a certain number of vehicles of various kinds which are required in India for the utilisation of India's forces for the defence of India, and this alone is treated as being received on India's account. The amounts estimated at the time when the Budget was prepared for this limited class of vehicles was half a crore of rupees in the current year and Rs. 1½ crores next year. This is the only provision that has been made in the Budget in respect of Lease-Lend supplies. The estimates are necessarily very rough. War development might involve a reduction in the receipt of such supplies, while on the other hand, they might well involve an increase in the proportion of vehicles retained for use in India, and if the amount were to become very large, we might have to revise our accounting policy. But, for the present, on the basis of those figures, we deem it wise and prudent to take a debit to revenue for the value of those supplies and a corresponding credit under a suspense capital head. The reasons were, first of all, because the nature of the obligations undertaken or assumed when accepting Lease-Lend assistance from the United States was not known and is not known yet. It is entirely uncertain and therefore we have undoubtedly a contingent liability to that extent. Secondly, because, if the source of

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supply were to be diverted on account of war conditions from the United States, as for instance, to Canada, we should then have to pay for them in cash. The result is, therefore, that in respect of Lease-Lend supplies, we have a debit to defence expenditure this year of half a crore of rupees and a debit to defence expenditure next year of Rs. 1½ crores. If these debits had not been made, that is, if we had dealt with the matter purely on a Lease-Lend basis excluding all future or contingent liabilities and had decided not to charge them to revenue, the only effect in the accounts would have been, first that defence expenditure would have been shown half a crore of rupees less in the current year and Rs. 1½ crores next year, the revenue deficit would have been half a crore of rupees less this year and Rs. 1½ crores next year, and capital credits would have been correspondingly less by half a crore of rupees this year and Rs. 1½ crores next year, leaving the closing balances unaltered. Considering the comparative smallness of these amounts as compared with the size of the Budget figures I think Honourable Members will agree that the action we have taken could in no way have affected our main budgetary policy.

The next point on which the Honourable Pandit Kunzru asked for clarification was in respect of the increases in money order rates and insurance fees which have recently been notified to come into force from the 1st April next. He asked if this was a sudden decision on the part of the Government by way of answer to the amendments which had been made to the Finance Bill in the Assembly. I cannot understand, Sir, what basis there is for any such—suspicion, shall I say?—but I can assure the Honourable Member that his suspicion was entirely unfounded and unwarranted. These postal charges were included in the increases in postal rates which were referred to in the Budget Speech as calculated to yield an extra Rs. 1 crore of revenue. They were not specifically mentioned individually as they were comparatively small and the Budget Speech made mention only of the main items.

The last point to which I need refer as coming under this head of “clarificatory” is the reference made by the Honourable Mr. Hossain Imam about the late publication of the Report of the Central Board of Revenue. It is a relief to me to know that there is at least one member of the House who reads this Report and is interested in its timely publication, especially a member who took one and a half hours to explain to us that he was under instructions to vote against this Finance Bill. The position as regards this Report is that we try each year to get it out as early as possible, but I admit that we have been unlucky. Sometimes the form of the Report is changed and the revision in form introduces complications which delay its preparation on the part of Commissioners. But the main cause of the delay in the last two years has been delay in printing. It is a voluminous work to print and our Government Printing Presses are working at such heavy pressure for the Army that publications such as the Report of the Central Board of Revenue sometimes have to give place, it may be for a month or two on end. We hope that with the centralisation of income-tax statistics the statistical portion of the Report will be compiled much more quickly in future years and the delay in publication avoided.

The next class of points to which I would refer are points in regard to which I am not in a position to give a final answer. Honourable Members here, as well as those in the other place, have raised the question of the treatment as regards income-tax accorded to those unfortunate gentlemen who have suffered loss of property and other capital in Burma and Malay. I

think the Honourable Pandit Kunzru was impressed by the reply that was given on this point by the Honourable the Finance Member in the Legislative Assembly. The Finance Member has promised sympathetic consideration to this question. He has it under his active consideration in consultation with the gentlemen concerned, and I am afraid it is not possible for me today to carry that further.

The next point, a point of some substance, was raised again by the Honourable Pandit Kunzru, and that is as regards the future treatment of our sterling balances. This was raised in the other House and the Honourable Finance Member indicated that when once our second scheme of repatriation and the repayment of the 3½ per cent. non-terminable stock is out of the way this question of future accruals of sterling balances will undoubtedly be a serious problem for the future, and a problem which will want considerable thought given to it. We are glad to note and we appreciate the general reception which has been accorded to our action in utilising sterling balances up to date for extinguishing India's external debt almost entirely. But when those operations are completed the question will arise as to the best and wisest use to which further balances can be put. Should that arise during the period of the war it will be undoubtedly a difficult problem, because war conditions make it difficult to know exactly what best can be done; while if the problem is left to be decided after the war, again it will depend on post-war conditions which any man would be rash at present to speculate upon. Therefore for the present I must leave it where the Honourable the Finance Member has left it. But I would like to make one point, and that is that the utilisation of these sterling balances for capital purposes carries with it the obligation to raise corresponding rupee loans in India, and with that for the time being we have our hands quite full. I would impress upon Honourable Members that they can best help in assisting Government to avail of opportunities as they arise for the best use of our sterling balances if here and now, from now onwards, they will co-operate with the Government in securing as large a response as possible to our loan operations in this country. When the time comes for action in this respect I have no doubt that the specific suggestions that the Honourable Mr. Kunzru has put forward will receive the consideration they deserve, although I am not in a position to say anything on his suggestion for the nationalisation of the coal and oil industries.

Two Honourable Members, the Honourable Mr. Kunzru and the Honourable Mr. Mahtha, raised the question of the repayment of post office savings bank deposits in Burma and of money spent in making war supplies to the Government of Burma by Indians who have since been evacuated at short notice to India. My Honourable friend Mr. Bozman has already touched on this point. Honourable Members will of course realise that the march of events in Burma has been so swift and sudden that the Government of Burma are acting under very great and severe handicaps, that the effect of the war on their finances has been severe, and that the practical difficulties of carrying on the administration are immense. Developments have been so sudden that we have not really had time to get down to questions like this. In respect of Indian evacuees from Malaya arrangements have been made for those who had deposits in post office savings banks in Malaya to draw those deposits in India, naturally on production of their pass book and on proof of their identity. I have no doubt myself that similar arrangements will be made in due course in respect of Burma. But the march of events, as I say, has been so rapid that we have not had time really to take up this question and come to any definite arrangements.

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The next point of this nature raised was about financial control over the operations of the Supply Department. It was raised by the Honourable Mr. Hossain Imam, and if I dare reply to him in his own words, I would say that getting into a temper and flaring up and making wild allegations does not really help matters. The Honourable the Finance Member explained in the other House that it is one of our main concerns, a concern to which we have devoted much time, thought and trouble, and gone to no end of expense to secure financial co-ordination of the activities of the Supply Departments in the matter of contracts and that I can assure the House is the general rule. You can always pick on individual cases where a limited supply of goods of a particular nature has been urgently required and we have had to depart from our usual practice. But you cannot generalise from these individual cases. It is also possible that where the Supply Department are taking a large percentage of materials available in the market off the market and the balance left is very small for meeting outside demands the natural law of demand and supply operating on that limited portion which is available for free purchase sends the bazaar price soaring up. But it does not follow from that that the Supply Department obtained its large purchases at those high prices. As a matter of fact it is very often because the Supply Department has taken a large part of available supplies at a moderate price that the small balance is left to the tender mercies of the producer and the seller and the free market price goes up. But as I say, you cannot say that because the Supply Department has been operating and making large purchases, with the result that the bazaar price has gone up, that therefore the Supply Department are guilty of extravagance, because their supplies may have been obtained at extremely favourable rates.

I would now like to turn to the provisions of the Finance Bill itself. There are only two points on which I have occasion to offer remarks. The first is the concession given in respect of excess profits tax. This was objected to by Sir Ramunni Menon, who also indicated his wish that the Government should exploit excess profits much more intensively for the benefit of the public purse. His theory on grounds of social justice is almost unanswerable. They are the very arguments we pressed when we first brought the excess profits tax measures before this House. But we have had to realise that we are not living in an ideal world. The willing co-operation of industry is necessary for the war effort and to leave a certain profit motive to secure the willing co-operation of industry is certainly a help without which at present we cannot dispense. The concession that has been given in this Bill is merely designed to couple that profit motive with the further object that we have of taking purchasing power off the market in the interests of the community at large and I think that from the reception that this measure has had it has secured general assent, while from the suspicion with which in some quarters it has been regarded we may assume, that it does not go too far in the direction of liberality to trade interests. The other point on which I would offer some comment is about the raising of the minimum of exemption income-tax limit from Rs. 1,000 to Rs. 1,500. The Honourable Mr. Kunzru said that the Government *had* to grant this concession because of an unintended effect brought to light in the Lower House. That, Sir, is not correct. I am afraid it was a little ungracious of him to put it that way. There were only two unintended effects brought to light in the Lower House, neither of which necessitated Government accepting this amendment. The first unintended effect was the enfranchisement of a certain number of persons. The percentage of increase of enfranchised persons would be possibly one or two per cent.,

but not more. It was an effect that Government would have been perfectly prepared to face, all the more so because when the existing Constitution Act came into being these people were already enfranchised. That consideration would not have prevented the Government from opposing this amendment had they seen fit. The other unintended effect was that under the Bengal Profession Tax Act as it stands a certain number of people who are now exempt from the payment of profession tax in Bengal would, as income-tax assesseees become liable to the payment of that tax. I think the effect would not have materialised in fact, because potential assesseees would merely have made their deposit. They would never have become liable to pay tax and therefore they would not have come within the terms of the Bengal Act. Even if that had been the case, it is not a matter which the Central Government could take into account in deciding a matter of this kind. What persons are assessed to profession tax in Bengal is entirely a matter for the Bengal Government. If the Bengal Government wish to exempt people earning Rs. 2,000 per annum or less, they have every right to do so, they have the power to do so, and as a matter of fact their own Bill gives them power to exempt cases from payment of tax which under the clauses of that Bill would be liable to tax. Therefore there was no earthly reason why this consideration should have induced the Government to accept this amendment. The Government accepted this amendment by way of a sort of compromise, with a certain amount of reluctance and with a certain amount of regret. We are here, Sir, entering a new field, a field of compulsory or quasi-compulsory savings in the interests of the community. It is a new departure, it is a departure in respect of which we desire to have the co-operation of the people themselves. This provision for incomes between Rs. 1,000 and Rs. 2,000 was never intended as a taxation measure. In spite of the Honourable Mr. Kunzru saying that Government had desired to tax these people, we did not desire to tax them. It was our way of providing a very strong incentive to make these people save, and that saving is in the interests not only of those people themselves but of the whole community. I do not see, Sir, how one can escape the logic of this position, that when you have far more people earning money in a country, far more money devoted to the purchase of consumer's goods, and conditions at the time preventing any material expansion in the supply of those goods, you are bound to get an upward pressure on prices. I do not see how you can avoid that, and that must mean a certain amount of hardship. If instead of so many lakhs of people earning such and such incomes you get twice the number of people earning those incomes, then the people who were previously earning those incomes will have to do with less goods, whatever money they have in their hands. You do not get rid of that difficulty by giving them more money to spend. If it were possible to double the income of everybody in this country, without any increase in the supply of goods available for purchase, how would the people benefit? Prices would naturally jump to double the previous level and the only result would be that people with small fixed incomes would be subjected to very great hardships. I agree, Sir, that I am over-simplifying this problem, but I am doing so deliberately because I want to explain the general principle on which Government are working. The general picture is clear, that if you have far more people actively employed, far more people earning wages, far more money coming into circulation, measured by hundreds of crores, with supplies limited, with imports limited, when production can only expand slightly, you are bound to get a pressure on prices which most seriously affects the poor and the lower classes. I hope I will not be understood as giving it as my opinion that we have reached a dangerous stage in that direction as yet. I do not think we have. Several members have stressed that point but the fact remains that those factors are beginning to operate

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and the more intensive our war effort becomes, the more powerful will they continue to operate. Therefore, in the light of such considerations the Government decided that the time had come to make a beginning with this principle of inducing people to save. And what was the extent of saving which we wished to impose upon people earning Rs. 1,000 a year? I think we ought to retain some sense of proportion when we deal with a question like this. A person earning Rs. 1,000 per annum under the Government's original proposals would have been liable to a tax of Rs. 7-13-0 per annum, and he could escape that liability altogether by making a deposit, which would bear interest, of Rs. 10 per annum. I do think in present circumstances, when it is impossible owing to rise in prices to spend one's money to best advantage, that it was unreasonable to ask a person earning Rs. 1,000 per annum to save, against the time when he can spend it more advantageously, Rs. 10. But, as I say, Government have accepted this raising of the lower limit of Rs. 1,000 to Rs. 1,500, and they did so purely with a view to carrying with them the Members of the Central Legislature and in deference to their wishes, because they realise that they are exploring a new field and they would prefer to do so in a spirit of compromise by taking the people along with them, confident in the knowledge that as people become accustomed to these principles and as the necessity for such action becomes more apparent, as surely it will as time goes on, it will be possible to extend this principle in the interests of this country and of the people in it.

Sir, I think these are the only points on which I have any remarks to offer and I commend this Bill to the acceptance of the House. (Applause.)

THE HONOURABLE THE PRESIDENT : Motion moved :—

“That the Bill to fix the duty on salt manufactured in, or imported by land into certain parts of British India, to vary the rate of the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to vary the rate of the excise duty on kerosene leviable under section 5 of the Indian Finance Act, 1922, to vary the rate of the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, to levy customs duties in addition to the duties of customs leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax and to continue the charge and levy of excess profits tax and fix the rate at which excess profits tax shall be charged, as passed by the Legislative Assembly, be taken into consideration.”

Question put and Motion adopted.

THE HONOURABLE THE PRESIDENT : Honourable Members, I have decided not only to get this Bill passed today but also to dispose of the work which is on the agenda for today. In order to enable you to refresh yourselves and to have a short recess I adjourn the Council for 15 minutes, after which I hope you will all come back and proceed with the work.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Could we not continue the work now instead of adjourning for 15 minutes?

THE HONOURABLE THE PRESIDENT : There are other Honourable Members who want to speak on the Third Reading of the Bill.

The Council then adjourned till a Quarter Past Five of the Clock.

The Council re-assembled at a Quarter Past Five of the Clock, the Honourable the President in the Chair.

Clauses 2 to 7 and Schedule I were added to the Bill.

Clause 8, Schedule II, Parts I and II were added to the Bill.

Clauses 9 and 10 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. C. E. JONES: Sir, I move:—

“ That the Bill, as passed by the Legislative Assembly, be passed.”

* **THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR** (Madras Muhammadan): Sir, speaking at this stage I would try to refrain from traversing the ground which has been covered by the previous speeches. Sir, I should like in the first instance to draw attention to the plight of a section of handloom weavers in my province who have been particularly hard hit by the extension of war to the Far Eastern countries. Sir, a class of weavers in the Madras Presidency had been confining themselves to the manufacture of coarse coloured cloth which had an exclusive market only in Burma, Malaya and Ceylon, and ever since the war extended to the Far Eastern countries, these people have been steadily losing their market so much so that today they are all of them rather out of employment. They have been reduced to a state of starvation. I wanted to draw attention to this fact only because I felt encouraged by what I saw in the papers recently. I find from the news that Government are convening a conference with a view to make a fuller utilisation of the small scale industries for the purpose of helping the mills. Sir, these mills, as we know, have been made to work very hard, and most of them have often to work overtime, and it is expected that during the coming year the demand on the mills will be much larger. With a view to enabling these mills to meet those demands, Government are trying to relieve the mills of a part of the burden which they are now bearing. In this connection I would like to bring to the attention of the Government the advisability of doing something to help the weavers which in its turn would also go to help them in the purpose which they have in view. Sir, some time back we learnt that the Government of India were proposing to fix up a standard for coarse cloth—cloth which would be used by the lower middle and poorer classes. This kind of cloth is one which can easily be manufactured by the weavers in the country. I would, therefore, suggest that the Government might fix up a standard for this purpose, and having fixed the standard, might ask the mills not to manufacture this kind of cloth, and leave its manufacture only to the handloom weavers in the country, so that the mills might be relieved of the necessity of having to work for the manufacture of this cloth. In this way, Sir, Government would be able not only to give the much-needed relief to this big organised industry but at the same time to furnish the much-needed employment to the handloom weavers who have now been thrown out of employment. Even in the best of times, in normal days, these weavers were living only a hand-to-mouth existence and have not been able to lay by anything to fall back upon in the rainy days. It is, therefore, necessary that Government should try and see that they give some sort of relief to these handloom weavers. I would in this connection like to mention an Association which claims to represent the weavers in our country. The Honourable House is aware that the gentleman who calls himself the President of the Momin Association recently sent a cable to the Secretary of State for India claiming that his Association re-

*Not corrected by the Honourable Member.

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presents the weavers of the whole of India and that the weavers whom he claims to represent are 45 millions in number and all of them are entirely opposed to the policy and programme of the Muslim League. I just say that this claim is not tenable. In the first place his claim that his Association represents nearly 45 millions of weavers in the country does not hold water. From the statistics it will be clear that the weavers in the whole of India is no more than 3,500,000. If by making this claim he includes not only the weavers but also the class of people which the very term connotes, then I welcome the term, because I feel and every one of my co-religionists that he is a Momin, for the word "Momin" means faithful, and every one of us considers himself as belonging to the class of the faithful. This claim by the President of the Momin Association, as he calls himself, is one which does not deserve any consideration. In our province we have three to four lakhs of weavers, and I say without fear of contradiction that every one of them is in support with and supports the policy and programme of the Muslim League. But this gentleman who makes this claim on behalf of the weaving community has not moved his little finger to help those weavers in my province who have all of a sudden been thrown out of employment and have reached the verge of starvation and ruin. It was people in our province, and mostly the Muslim League, that came to their rescue and who have been doing whatever they can to bring relief to these people who are in such dire distress. I am glad to say that in the help that we are trying to secure for these distressed people we are receiving the support not only of Muslims but of a number of non-Muslims also.

Just a word, Sir, about the racial discrimination in the case of the evacuees. I just want to say that we are very grateful to the Honourable Overseas Member for a very sympathetic and frank speech. I may assure him that we on this side of the House have no doubt that he and his able and sympathetic Secretary Mr. Bozman are doing their best and acting with all sympathy and keenness in this matter, but I think that real improvement can be affected in this connection only if the Defence Department co-operate with them. Much of the mischief in Rangoon and other parts of Burma and in Malaya was possibly due to the fact that the Defence Department did not whole-heartedly co-operate with the Overseas Department. I hope the Overseas Department sees to it that the Defence Department co-operates with them.

Now as regards another question affecting evacuees and other people who have lost their property in various countries in the Far East I have just one word to say. We are grateful to the Honourable the Finance Member and his sympathetic Secretary Mr. Jones for holding out the assurance that the cases of these people in respect of income-tax would receive sympathetic consideration. I would only say this, that this consideration should extend not only to the assessment of income-tax on incomes which these people have lost in those countries which are now under enemy occupation; I would suggest that all these people who had any business relations in those countries and who were deriving any appreciable portion of their income from those countries should receive sympathetic consideration, because they have lost not only the income but the capital they have invested in those countries, capital expended in building up the extensive business they have been doing.

From this I pass on to another subject and that is about news agencies. As you know there are a number of news agencies in our country and most of them receive help and subsidy from the Government. Among these news agencies there is one, the Orient Press Agency. This is the only Muslim organisation which was started only about a couple of year ago. Even though this agency has been functioning only for a very short period it has been

doing its work very honestly and efficiently, and it is very disappointing to find that despite its good work, despite the very useful service which this news agency is doing, the Government of India have not yet seen their way to giving any subsidy or help to this agency. The Government ought to be aware, Sir, that owing to the paucity of Muslim newspapers this agency, of all the news agencies in our country, is one which deserves great consideration. If the number of Muslim newspapers had been larger, possibly this agency could have stood on its own legs because of their support, but as things are in our country there are very few newspapers which could give any sort of help to this agency, and unless Government comes to its rescue and does bare justice to it and gives it a subsidy, as it does in the case of other agencies, there is every apprehension that this very useful organisation might disappear. I would therefore request the Government to give sympathetic consideration to the case of this Orient Press Agency and try and give it the help which it needs.

Before I sit down I should like to join my Honourable friends who have extended a welcome to Sir Stafford Cripps. I say that Sir Stafford Cripps has got our sincerest good wishes for success in his mission. No one in this country will be more pleased and happy than the Muslims and the Muslim League if the good offices of Sir Stafford Cripps help to resolve the deadlock which prevails in the country. This deadlock which is holding up every progress, which is hampering every useful activity in the country, is most annoying to the Muslims. It was to resolve this deadlock that the Muslim League long ago expressed its willingness to co-operate, but only with this condition, that it would come to a working arrangement during the war and would take up the major issues for settlement only after the war. Sir, nothing could be more reasonable, more helpful, to the solution of this political puzzle than the attitude which the Muslim League took and the offer which the head of the Muslim League, Mr. Jinnah, made was to co-operate on the basis of a working arrangement with the only condition that the larger and the more complicated issues should be settled after the termination of the war. But, Sir, this very attitude has been so severely criticised in this House that I cannot pass over this without giving my reply to the aspersions that have been cast upon this attitude. Sir, it has been said that Mr. Jinnah who represents the Muslim League in the country has been trying to dictate. My submission is that far from dictating Mr. Jinnah has expressed his willingness in clear terms to say that he is ready to co-operate and do whatever he can in the war effort, provided he could do so with self-respect and he could do so without prejudice to the larger issues which will have to be settled in a calmer and more peaceful time. Contrast with this the attitude which the Indian National Congress has adopted—an attitude which my friend the Honourable Mr. Sapru so eloquently, so vehemently indicated. The Honourable Mr. Sapru said that it was the Muslim League which took up an intransigent attitude and it was the Congress which took up a helpful attitude. Here is the League offering to co-operate on any terms which could be considered respectable. Here is the League offering to throw its lot on the side of the Powers which are now fighting for the freedom of men and the civil rights of humanity. On the other hand, we have the Indian National Congress dictating, saying that it is not going to touch any offer even with a pair of tongs unless the Government here and now declares that India would have independence within a fixed time after the war. Here is the offer of two brothers. Which of these two it is that has assumed an intransigent attitude? You could see which of these two organisations is trying to take undue advantage of the country's difficulties and which of these two is the organisation which is trying to gain

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victory over other elements in the national life of the country at a time when such larger questions could not be properly considered. Now, Sir, the supreme need of the hour is a united front to thwart the danger which is threatening, at a time when the enemy is knocking at the door and when determined resistance is so urgent. Is it the time when we can try to solve those larger and more complicated issues which have hitherto defied every attempt at solution. Whatever could be said of the present moment, it is certainly not the time when people should indulge in bargaining and trying to take undue advantage of the country's difficulties. Whatever the motive of the Allied Powers in resisting the Axis Powers, whether Britain is impelled by Imperialistic motives or whether Britain is trying to fight the war for saving humanity's rights, whatever may be the motive, one thing is quite plain, that for the moment the lot of India is thrown with that of England, that the Britisher and the Indian are in the same boat and will have to sink or swim together. On an occasion like this the duty of every patriotic Indian is perfectly plain, that no time should be lost, that no effort should be spared to try to save the country. It was to save time in doing the needful to save the country that Mr. Jinnah offered to co-operate merely on a working arrangement.

Now, Sir, just one word more. As I said at the outset, I am very hopeful, prayerfully hopeful, that Sir Stafford Cripps' mission might prove successful in our country. But I cannot help saying one thing to my countrymen here. Whatever may be the proposals that Sir Stafford Cripps might bring, however just and final they might be, these proposals cannot succeed unless they are supported by mutual understanding. These proposals, whatever the nature, will only have the fate of a still-born child if they are not supported by mutual understanding between the different sections of the people in the country. I would therefore request that we should cast off all our prejudices for the time being at least. Let us put away all those high ambitions which we might have regarding our people, for the present let us try to come together and work together under some arrangement which might not have the risk of jeopardising the consideration of those larger issues until the termination of the war. I do not want to detain the House any longer.

THE HONOURABLE THE PRESIDENT : Motion moved :—

“ That the Bill, as passed by the Legislative Assembly, be passed.”

Question put and Motion adopted.

THE HONOURABLE THE PRESIDENT : Before we proceed further with today's work, I wish to give some explanation myself in view of Mr. Sapru's statement, which he made in the House, that there was absence of courtesy on the part of the Leader of the House in not being present when the Finance Bill was being debated. I have to give an explanation. The Leader of the House asked my permission as he had to attend an Executive Council meeting and the Chair gave him permission to absent himself. So I suppose the Honourable Mr. Sapru is now quite satisfied.

THE HONOURABLE MR. P. N. SAPRU : It is perfectly all right, Sir.

THE HONOURABLE MALIK SIR FIROZ KHAN NOON (Leader of the House) : Today again, Sir, there is a meeting of the Executive Council.

THE HONOURABLE THE PRESIDENT : Certainly you can go.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : We all want to go too !

THE HONOURABLE THE PRESIDENT : We shall consider that matter presently !

AGRICULTURAL PRODUCE (GRADING AND MARKING) AMENDMENT BILL.

THE HONOURABLE MR. J. D. TYSON (Education, Health and Lands Secretary) : Sir, I beg to move :—

“ That the Bill to amend the Agricultural Produce (Grading and Marking) Act, 1937, as passed by the Legislative Assembly, be taken into consideration.”

Sir, I do not feel that I should take the time of the House by adding anything to the Statement of Objects and Reasons but if any Honourable Member wishes to have further light on the matter I shall try to shed it.

The Motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. J. D. TYSON : Sir, I move :—

“ That the Bill, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

INDIAN TOLLS (ARMY) AMENDMENT BILL.

THE HONOURABLE SIR GURUNATH BEWOOR (Nominated Official) : Sir, I move :—

“ That the Bill further to amend the Indian Tolls (Army) Act, 1901, as passed by the Legislative Assembly, be taken into consideration.”

Sir, this is a small amending Bill. The Act was passed as long ago as 1901. Its main purpose was to provide for exemption of persons and property belonging to the army from the payment of certain tolls. The Act was amended in 1927 and again in 1932 but the amendments were confined to adding Air Force to the provisions of the Act. Having been passed as long ago as 1901 the terminology of sections 2 and 3 has become out of date and has been occasioning some difficulty in interpretation under modern conditions. The object of the present Bill is merely to clarify certain expressions and to bring the terminology in consonance with present conditions. There is no question of the introduction of any new principle. The main changes and the reasons therefor have been mentioned in the Notes on Clauses and I think it is unnecessary for me to add anything to them.

Sir, I move.

The Motion was adopted.

Clause 2 was added to the Bill.

Clauses 3 and 4 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR GURUNATH BEWOOR : Sir, I move :—

“ That the Bill, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

CANTONMENTS (AMENDMENT) BILL.

THE HONOURABLE SIR GURUNATH BEWOOR (Nominated Official) :
Sir, I understand it is the desire of the House that this Bill be taken into consideration tomorrow. The Members agree to give some time tomorrow.

THE HONOURABLE THE PRESIDENT : I have no objection but tomorrow is a non-official day. Do you agree ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Yes, Sir.

THE HONOURABLE THE PRESIDENT : Then it will be taken up immediately after your Resolution is discussed.

The Council then adjourned till Eleven of the Clock on the 25th March, 1942.
