

Wednesday, 24th March, 1943

# COUNCIL OF STATE DEBATES

(OFFICIAL REPORT)

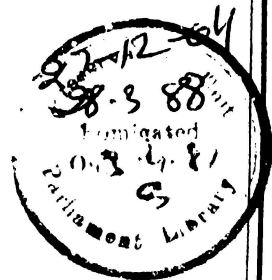
VOLUME I, 1943

*(15th February to 3rd April, 1943)*

## THIRTEENTH SESSION

OF THE

# FOURTH COUNCIL OF STATE, 1943



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# INDEX

PAGE(#).	PAGE
<b>Monday, 15th February, 1943—</b>	
Members Sworn . . . . .	1
Questions and Answers . . . . .	1—9
Notices of Motions for Adjournment	9—13
Statements, etc., laid on the table	13—22
Messages from His Excellency the Governor General . . . . .	22
Committee on Petitions . . . . .	22—23
Congratulations to His Excellency the Commander-in-Chief on his promo- tion to Field Marshal . . . . .	23
Governor General's Assent to Bills . . . . .	23
Standing Committee for the Depart- ment of Information and Broad- casting . . . . .	23—25
Death of Sir Muhammad Yakub . . . . .	25—26
Presentation of the Railway Budget for 1943-44 . . . . .	26—31
Motion for Adjournment <i>re</i> Uncon- ditional release of Mr. Gandhi . . . . .	31—46
<b>Tuesday, 16th February, 1943—</b>	
Questions and Answers . . . . .	47—50
Notice of Motion for Adjournment . . . . .	50
Allotment of quarters to Members of the Council of State . . . . .	51—52
Resolution <i>re</i> Excess Profits Tax Act, 1940—Negatived . . . . .	52—59
Resolution <i>re</i> Co-ordinated policy in respect of wheat and other food- stuffs— <i>To be continued</i> . . . . .	59—76
Resolution <i>re</i> Ordinances promulgated since the outbreak of war—Moved . . . . .	76—77
Motion for Adjournment <i>re</i> Restric- tions imposed on the <i>Hindustan</i> <i>Times</i> —Negatived . . . . .	77—85
Appendix . . . . .	86
<b>Monday, 22nd February, 1943—</b>	
Protest by the Progressive Party against the policy of Government in connection with the fast of Mr. Gandhi . . . . .	87
Questions and Answers . . . . .	87—104
Information promised in reply to questions laid on the table . . . . .	104
Statements, etc., laid on the table . . . . .	115
Bills passed by the Legislative As- sembly . . . . .	115
Delhi Muslim Wakfs Bill—Presenta- tion of the Report of the Joint Committee . . . . .	116
Code of Criminal Procedure (Amend- ment) Bill—Petition laid on the table . . . . .	116
Statement <i>re</i> Quarters for members of the Council of State . . . . .	116
Standing Committee for the Depart- ment of Supply . . . . .	116
General Discussion of the Railway Budget, 1943-44 . . . . .	117—135
Standing Committee for the Depart- ment of Information and Broad- casting . . . . .	135
Death of Sir James Taylor . . . . .	135—136
<b>Wednesday, 24th February, 1943—</b>	
Members Sworn . . . . .	137
Questions and Answers . . . . .	137—141
Resolution <i>re</i> Co-ordinated policy in respect of wheat and other food- stuffs— <i>contd.</i> —Adopted . . . . .	141—143
Resolution <i>re</i> Number of Ordinances promulgated since the outbreak of war— <i>contd.</i> —Withdrawn . . . . .	148—159
<b>Wednesday, 24th February, 1943—contd.</b>	
Resolution <i>re</i> Foodstuffs—Moved . . . . .	159—1
Resolution <i>re</i> Vesting of control over Governors of Provinces in the Governor General in Council— Negatived . . . . .	160—1
<b>Saturday, 27th February, 1943—</b>	
Bills passed by the Legislative Assembly laid on the table . . . . .	1
Presentation of the General Budget for 1943-44 . . . . .	175—11
<b>Tuesday, 2nd March, 1943—</b>	
Member Sworn . . . . .	1
Questions and Answers . . . . .	193—2
Notice of Motion for Adjournment . . . . .	2
Resolution <i>re</i> Foodstuffs—Negatived . . . . .	204—2
Resolution <i>re</i> Sterling resources and expansion of currency—Adjourned . . . . .	231—2
Statement of Business . . . . .	24
<b>Saturday, 6th March, 1943—</b>	
Questions and Answers . . . . .	237—24
Statements, etc., laid on the table . . . . .	243—24
Bills passed by the Legislative Assem- bly laid on the table . . . . .	24
General Discussion of the General Budget for 1943—44 . . . . .	245—24
&	
261—27	
Standing Committee for the Depart- ment of Supply . . . . .	24
<b>Wednesday, 10th March, 1943—</b>	
Questions and Answers . . . . .	277—24
Resolution <i>re</i> Sterling resources and expansion of currency— <i>contd.</i> — Adopted . . . . .	286—34
Indian Income-tax (Amendment) Bill— Introduced . . . . .	34
Resolution <i>re</i> Rationing of paper— Withdrawn . . . . .	303—34
<b>Thursday, 11th March, 1943—</b>	
Statements, etc., laid on the table . . . . .	33
Standing Committee for Roads, 1943-44 . . . . .	3
Central Advisory Council for Railways . . . . .	3
Motor Vehicles (Amendment) Bill— Considered and passed . . . . .	316—3
Government Savings Banks (Amend- ment) Bill—Considered and passed . . . . .	3
Indian Railways (Amendment) Bill— Considered and passed . . . . .	316—3
Aligarh Muslim University (Amend- ment) Bill—Considered and passed . . . . .	3
Code of Civil Procedure (Amend- ment) Bill—Considered and passed . . . . .	3
Indian Penal Code (Amendment) Bill—Considered and passed . . . . .	320—3
Coffee Market Expansion (Amend- ment) Bill—Considered and passed . . . . .	3
Delhi Muslim Wakfs Bill—Considered and passed as amended . . . . .	325—35
Statement of Business . . . . .	31
<b>Saturday, 20th March, 1943—</b>	
Bills passed by the Legislative Assembly laid on the table . . . . .	32
Statement of Business . . . . .	32
<b>Wednesday, 24th March, 1943—</b>	
Members Sworn . . . . .	33
Questions and Answers . . . . .	331—34
Code of Criminal Procedure (Amend- ment) Bill—Presentation of the Report of the Committee on Petitions . . . . .	34

**COUNCIL OF STATE**  
*Wednesday, 24th March, 1943.*

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

**MEMBERS SWORN :**

The Honourable Mr. G. S. Bozman (Indians Overseas Secretary).  
The Honourable Mr. Shavax A. Lal (Nominated Official).

**QUESTIONS AND ANSWERS.**

**NUMBER OF INDIAN OFFICERS IN GENERAL HEADQUARTERS.**

122. **THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Will Government state the number of Indian staff officers in—

- (a) the General Headquarters proper, and
- (b) each of the offices attached or subordinate to it ?

**GENERAL THE HONOURABLE SIR ALAN HARTLEY :** (a) Fourteen are graded staff officers and 22 hold miscellaneous staff appointments.

By "graded" is meant those in receipt of consolidated pay of staff appointments. By "miscellaneous" is meant those in receipt of extra pay additional to rank pay.

(b) On the assumption that by "attached and subordinate offices" the Honourable Member is referring to Headquarters of military formations subordinate to General Headquarters, I can give the total figures, which are 47 graded and 501 miscellaneous staff appointments.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** I meant to ask about the number of officers in offices subordinate to the General Headquarters here.

**GENERAL THE HONOURABLE SIR ALAN HARTLEY :** I do not know exactly what the Honourable Member means. I understand him to mean the formations subordinate to the General Headquarters here as armies, corps and divisions, and on that assumption I have given these figures.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** May I have the figures separately for the offices in Delhi like the Public Relations Directorate and so on ?

**GENERAL THE HONOURABLE SIR ALAN HARTLEY :** All these are included in the figures given.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Could the Honourable Member kindly give me the figures separately ?

**THE HONOURABLE THE PRESIDENT (to General the Honourable Sir Alan Hartley) :** If you are not in a position to give the information, you can ask for notice.

**GENERAL THE HONOURABLE SIR ALAN HARTLEY :** I am not in a position to give the information.

**PURCHASE OF THE CALCUTTA TELEPHONE SYSTEM.**

123. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** Will Government state why from 1st April next they are going to take over the telephone system in Calcutta ?

**THE HONOURABLE SIR MAHOMED USMAN :** Under the license granted to the Bengal Telephone Corporation, Ltd., Government had the option of purchasing the Calcutta telephone system with effect from the 1st April, 1943. As Government considered that it was in the public interest to take over the system, they have exercised the option and are taking over the Calcutta telephone system from that date.

**ALLIED PROPERTY IN CHINA.**

124. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** Are Government aware that Japan had begun to hand over Allied property in China to the control of the Nanking Government ? If so, does this in any way affect Indian and Indian-owned property in China ?

**THE HONOURABLE SIR MAHOMED USMAN :** Government have no information.

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*N. B.—Questions against the Honourable Raja Yuveraj Dutta Singh were put by the Honourable Rai Bahadur Sri Narain Mahtha.*

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** May I ask whether Government have any information about Indian-owned property in China ?

**THE HONOURABLE SIR MAHOMED USMAN :** For that I must ask for notice.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** That is a part of this question.

**THE HONOURABLE SIR MAHOMED USMAN :** I have given the answer that Government have no information. The Honourable Member is asking some other question for which I must ask for notice.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** The Honourable Member was asked whether Japan had begun to deal with Allied property in China in a certain way—

**THE HONOURABLE THE PRESIDENT :** He has said that he has no information

**NUMBER OF QUARTERS FOR MEMBERS OF THE INDIAN LEGISLATURE.**

**125. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** Will Government give information on the following points :—

(a) How many quarters have been constructed in all for the accommodation of the members of the Central Legislature in New Delhi ?

(b) Out of the total number of quarters constructed, how many have been assigned to the members of the Council of State, and how many to the members of the Central Legislative Assembly ?

(c) Out of the quarters allotted to the members of the Council of State, and to the members of the Central Legislative Assembly, how many quarters have been permitted to be occupied by non-members in the last session, and in the present Budget session, respectively ?

(d) How many members of the Council of State and of the Central Legislative Assembly have been refused quarters during the last session and the present Budget session, respectively ?

(e) Is it a fact as borne out by the official records of the time, that these quarters were constructed specially for the members of the Central Legislature, who are summoned by the Governor General to attend, for the discharge of their public duties ?

(f) Is it a fact that a large number of private houses have been commandeered by Government for the accommodation of their officials, or their offices in New Delhi, or in the Delhi city ; and that the hotels are almost always full and private residential accommodation is also not easily available ?

(g) Do Government propose to take necessary steps to ensure that members of the Central Legislature, who are summoned to attend, for the performance of their public duties, are given suitable accommodation in New Delhi in quarters which have been constructed specifically for them ?

**THE HONOURABLE MR. H. C. PRIOR :** (a) 95 quarters and 69 suites in the Western Court.

(b) and (c). A statement containing the information asked for is laid on the table of the House.

(d) No member of the Legislative Assembly has been refused quarters during the last session and the present Budget session. Three members of the Council of State remained unprovided for during the last session. At the beginning of the current session five members could not be provided with the accommodation they desired, but other arrangements were made for accommodating two of them.

(e) Yes.

(f) Yes.

(g) Government are considering the question of allotting further quarters for the accommodation of Honourable Members of the Council of State.

**THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA :** Did these three members of the Council of State remain unprovided with quarters on account of the fact that Council of State quarters were made available to others ?

**THE HONOURABLE MR. H. C. PRIOR :** No, Sir.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Why did they remain without quarters ?

**THE HONOURABLE MR. H. C. PRIOR :** Because I think some quarters which were allotted to others were not considered suitable by those members.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Was any attempt made to ask the Assembly Department to make over some quarters which were not occupied by Assembly members ?

**THE HONOURABLE MR. H. C. PRIOR :** No, Sir.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Why not ?

**THE HONOURABLE MR. H. C. PRIOR :** Because the quarters were already occupied.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Were not some of them not occupied ?

**THE HONOURABLE MR. H. C. PRIOR :** Not occupied by members of the Assembly.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Why were the members of the Council of State given no preference in regard to the occupation of those quarters ?

**THE HONOURABLE MR. H. C. PRIOR :** That is a matter which we are now considering.

**THE HONOURABLE MR. HOSSAIN IMAM :** May I ask if the Government propose to increase the allotment to the Council of State ?

**THE HONOURABLE MR. H. C. PRIOR :** That is another matter which we have under consideration.

*Statement containing the information asked for in parts (b) and (c) of question No. 127.*

(b)	Number of quarters assigned to—	
	Members of the Council of State.	Members of the Legislative Assembly.
Quarters . . . . .	21	74
Suites in Western Court—		
Single . . . . .	4	14
Married . . . . .	2	5

(c) Out of the accommodation allotted to the members of the Council of State the following accommodation was permitted to be occupied by non-members :—

	Last session.	Present budget session.
Quarters . . . . .	4	2
Suites in Western Court—		
Single . . . . .	Nil	Nil
Married . . . . .	Nil	Nil

Out of the accommodation allotted to the members of the Legislative Assembly the following accommodation was permitted to be occupied by non-members :—

	Last session.	Present budget session.
Quarters . . . . .	50	30
Suites in Western Court—		
Single . . . . .	Nil	2
Married . . . . .	Nil	Nil

**CHARGES BROUGHT AGAINST THE CONGRESS FOR DISTURBANCES.**

126. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** (a) Has the attention of Government been drawn to the following passage in the letter of H. E. Lord Linlithgow, dated the 5th February, 1943, to Mahatma Gandhi :—

“ You may rest assured that the charges against the Congress will have to be met sooner or later, and it will then be for you and your colleagues to clear yourselves before the world if you can ” ?

(b) Will Government state whether it has been decided to bring Mahatma Gandhi and his colleagues of the Congress before a duly constituted Court of law for trial ? If so, when ; and what will be the composition of the Court and its procedure ? Will Government make a statement indicating the main details of their plan in this connection ?

(c) With regard to the pamphlet “ Congress Responsibility for the Disturbances, 1942-43”, published with authority, when do Government propose “ to disclose all the information in the possession of the Government ”, and also “ a large volume of evidence which it is undesirable to publish at present ”, as stated in the preface by Sir Richard Tottenham, Additional Secretary to the Government of India, Home Department ?

**THE HONOURABLE MR. E. CONRAN-SMITH :** (a) Yes.

(b) and (c). Government are not prepared to make any statement on this subject at present.

**THE HONOURABLE MR. HOSSAIN IMAM :** Would we be correct in understanding that Government do not propose to take any action ?

**THE HONOURABLE THE PRESIDENT :** You may understand his reply in any way you like, but you have no right to interpret and ask him.

**THE HONOURABLE MR. HOSSAIN IMAM :** The Honourable Member said he is not prepared to make a statement. Does it mean that the Government do not wish to proceed with the prosecution ?

**THE HONOURABLE MR. E. CONRAN-SMITH :** It means nothing more than I have said, Sir.

#### ARCHAEOLOGICAL MUSEUMS.

127. **THE HONOURABLE MR. HOSSAIN IMAM :** (a) Will Government state whether all the important archaeological museums in India meant for research and educative purposes are entirely closed to public ? If so, why ?

(b) Are Government aware that none of the museums lying even in operational zones of Europe are so closed to public ?

(c) Is it also a fact that many of the museums in India are in the occupation of military ? If so, what arrangement has been made for the proper upkeep and preservation of antiquities ?

(d) Has the Honourable Member for Education, Health and Lands gone through these matters personally and is he satisfied with the arrangements of exhibits made by the museum authorities ?

**THE HONOURABLE SIR JOGENDRA SINGH :** (a) Of the museums under the Central Government only the Indian Museum, Calcutta, and the Central Asian Antiquities Museum have been closed to the public as an A.R.P. measure and for the safety of the exhibits. The other archaeological museums, at Taxila, Sarnath, Mohenjodaro, Harappa and Nalanda and the museum at Delhi Fort, are open to the public. No information is available regarding museums under Provincial Governments.

(b) Government have no information.

(c) Government have information only regarding the museums under the Central Government. Of these only the Indian Museum and the Central Asian Antiquities Museum, are partly occupied by the military. In the Central Asian Antiquities Museum the antiquities have been stored in one of the rooms of the Museum and in another room of the same building. They are in the charge of the museum staff. The important antiquities in the Indian Museum which could be easily removed have been transferred to Sarnath. Other exhibits are in the charge of the museum staff.

(d) Yes. I am satisfied that the museum authorities are taking all the necessary steps for the preservation of the exhibits. The Indian Museum Trustees have recently addressed the military authorities regarding the steps which they consider necessary to safeguard the exhibits remaining in the Museum and information regarding the result of their communication with the military authorities is awaited.

**THE HONOURABLE MR. HOSSAIN IMAM :** May we know the real reason for evacuation, I mean for closing these museums, is to make quarters available for the military.

**THE HONOURABLE SIR JOGENDRA SINGH :** No, to protect the valuable articles that these museums contain.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** From whom ?

**THE HONOURABLE SIR JOGENDRA SINGH :** Well, from aeroplanes that might come and drop bombs on them.

**THE HONOURABLE MR. HOSSAIN IMAM :** Do we take it, Sir, that Delhi is in the danger zone ?

**THE HONOURABLE SIR JOGENDRA SINGH :** Is there any place that is not in the danger zone ?

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Is it a fact that Government are now reducing expenditure on Civil Defence ?

**THE HONOURABLE SIR JOGENDRA SINGH :** That does not imply that safety is assured.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** I mean, if less

expenditure is to be incurred by the Civil Defence Department does it not show that there is no need now for closing the Central Asian Antiquities Museum and that Government have gone too far in taking the steps which they have taken ?

**THE HONOURABLE SIR JOGENDRA SINGH :** No, protection of valuable exhibits is essential and at any time when there is no danger and it is safe to do so the Museums will be opened.

**THE HONOURABLE MR. HOSSAIN IMAM :** May we take it that Government is removing also their archives from Delhi, their own records, to a place of safety ?

**THE HONOURABLE SIR JOGENDRA SINGH :** I am not aware of it.

**ATTACHMENT OF CARRIAGES TO TRAINS AT CERTAIN STATIONS.**

**128. THE HONOURABLE MR. HOSSAIN IMAM :** Will Government state:—

(a) Whether the bogie carriages that are attached to trains at certain stations for certain destinations are intended for the convenience of passengers between such two stations ?

(b) If a carriage is attached to a train at Delhi for Patna, whether passengers holding tickets from Delhi to Patna will get preference over passengers holding tickets from Delhi to Tundla or from Delhi to Cawnpore or from Delhi to Allahabad ?

(c) Whether in such carriages passengers holding tickets from Delhi to Patna will get preference to passengers holding tickets from Tundla to Patna or from Tundla to Cawnpore or from Cawnpore to Patna ?

(d) Whether berths reserved in such carriages for passengers from Delhi to Tundla or from Delhi to Cawnpore are subject to such berths not being occupied by passengers from Delhi to Patna ?

(e) Whether berths in such carriages when attached at Patna for Delhi can be reserved from Moghalserai to Delhi or from Allahabad to Delhi when such berths are occupied by passengers from Patna to Delhi ? and

(f) Whether such reservations in such carriages from Moghalserai to Delhi or from Allahabad to Delhi are also subject to such berths not being occupied by passengers from Patna to Delhi ?

**THE HONOURABLE SIR SATYENDRA NATH ROY :** (a) Yes, but also for the convenience of any passengers on the route.

(b) Accommodation is booked in the order of priority of application but, as far as possible, passengers travelling to Patna are accommodated in the through carriage.

(c) Yes ; preference is automatic, unless passengers booking from intermediate stations choose to pay the fares and reserve as from Delhi station.

(d) The reply is in the negative.

(e) and (f). Reservation from intermediate stations is not guaranteed. Accommodation is provided if available on the arrival of the train.

**THE HONOURABLE MR. HOSSAIN IMAM :** Will Government communicate the reply given to my question to the station masters of Patna and Delhi for their guidance ?

**THE HONOURABLE SIR SATYENDRA NATH ROY :** I shall certainly consider that, Sir, but I see no reason to suppose that the Station Master of Patna is ignorant of these instructions.

**THE HONOURABLE MR. HOSSAIN IMAM :** I can place facts before the Honourable Member showing that he is.

**THE HONOURABLE THE PRESIDENT :** Don't argue.

**THE HONOURABLE SIR SATYENDRA NATH ROY :** I should be very glad if the Honourable Member will show them to me.

**THE HONOURABLE MR. P. N. SAPRU :** May I ask a question just for the purpose of understanding the position ? If I am travelling from Delhi to Allahabad and the compartment is for Patna then am I not to be accommodated in that compartment ?

**THE HONOURABLE SIR SATYENDRA NATH ROY :** No, Sir. I said " Accommodation is booked in the order of priority of application but, as far as possible, passengers travelling to Patna are accommodated in the through carriage ". Priority of reservation is determined by priority of application.

**THE HONOURABLE MR. P. N. SAPRU :** So if I have applied before I should get precedence over the man who is going to Patna ?

**THE HONOURABLE SIR SATYENDRA NATH ROY :** That is my understanding of the matter, Sir.

PROVINCIAL POLICE EXPENDITURE PAYABLE FROM CENTRAL REVENUES DURING  
1942-43 AND 1943-44.

129. THE HONOURABLE MR. HOSSAIN IMAM: Will Government give the amount of money to be paid to each Provincial Government and centrally administered areas in the years 1942-43 and 1943-44 under Demand No. 33 and entry No. 29 in Statement B of the Budget?

THE HONOURABLE MR. E. CONRAN-SMITH: A statement is laid on the table.

Province.	Payments to be made	Payments to be made
	in the year 1942-43.	in the year 1943-44.
	Rs.	Rs.
Madras . . . . .	2,31,000	2,23,000
Bombay . . . . .	9,19,000	12,24,000
Bengal . . . . .	31,57,000	39,58,000
United Provinces . . . . .	2,37,000	1,95,000
Punjab . . . . .	14,72,000	19,44,000
Bihar . . . . .	8,07,000	6,72,000
Central Provinces . . . . .	2,77,000	3,11,000
Assam . . . . .	64,000	71,000
N.-W. F. P. . . . .	63,44,000	56,10,000
Orissa . . . . .	2,28,000	2,49,000
Sind . . . . .	7,68,000	18,37,000
Coorg . . . . .	12,000	16,000
<b>Total</b>	<b>1,45,16,000</b>	<b>1,63,10,000</b>
Delhi . . . . .	18,13,000	18,77,300
Ajmer-Merwara . . . . .	7,11,000	8,67,400
Panth-Piploda . . . . .	2,000	2,300
Baluchistan . . . . .	12,45,000	14,20,000
Charges in England . . . . .	3,000	21,000
<b>Grand Total</b>	<b>1,82,90,000</b>	<b>2,04,98,000</b>

PAPER PURCHASED BY GOVERNMENT.

130. THE HONOURABLE MR. HOSSAIN IMAM: Is it a fact that Government purchased in India worth 110 lakhs in 1941-42, and worth 510 lakhs in 1942-43, and that they propose to buy 470 lakhs worth of paper next year? Will Government state how much of this is for Government Civil Administration, Defence Department and for other Governments (Colonies, etc.)?

THE HONOURABLE MR. H. C. PRIOR: A statement is laid on the table. The figures in this statement (which for 1941-42 are actuals but for other years approximate) show purchases of the following values:—

1941-42.—110 lakhs of which 30 is for Civil Administration.

1942-43.—250 lakhs of which 30 is for Civil Administration.

1943-44.—300 lakhs of which 80 is for Civil Administration.

In my speech in this House on 10th March, 1943 I stated that consumption of paper in 1939-40 by Government Civil Administration was 10,200 tons and that the estimated figure for 1943-44 was 12,000 tons. The comparison should have been between 9,900 tons in 1939-40 and 12,000 tons in 1943-44 as the 1939-40 figure contained 320 tons for Supply Department while the 1943-44 figure contained nothing for the Supply Department. The figures I gave include paper bought through the Central Stationery Office by certain provinces, the payment for which does not pass through the Central Government accounts as the provinces pay direct to the mills when delivery is not from stock. Latest figures for 1942-43 seem to indicate that the total consumption of Government Civil Administration for 1942-43 will only be 7,850 tons of which 3,000 tons will be paid direct by provinces buying through the Central Stationery Office which leaves 4,850 tons for Central Government consumption costing at estimated price of Rs. 760 a ton, approximately 36 lakhs. It is, however, expected that full deliveries may not be secured to enable payments to be made this financial year so we have provided only for 4,000 tons = to Rs. 30 lakhs.

In 1943-44, 12,000 tons is estimated on Civil Departments' consumption; of this 4,000 tons will be paid for direct by provinces, leaving 8,000 tons on Central Government account which at estimated price of Rs. 1,000 a ton = Rs. 80 lakhs.

THE HONOURABLE MR. HOSSAIN IMAM: Why has this figure been given in the Demand for Grants.



**THE HONOURABLE MR. H. C. PRIOR:** The figures have been revised since the Demand for Grants was presented.

**THE HONOURABLE MR. HOSSAIN IMAM:** I do not understand the Honourable Member's reply, Sir. I want to know from the Finance Department why they have put their Demand for Grants at a higher figure than what the Labour Secretary describes?

**THE HONOURABLE MR. C. E. JONES:** I must ask for notice of that question, Sir.

Year.	Paper purchased by the Central Government.	
	(Figures in lakhs of rupees.)	
		Total. Lakhs.
1941-42 (Actuals)		110
1942-43 Present		250
1943-44 Estimate		300.

The estimated expenditure for 1942-43 and 1943-44 has now been much reduced since the Budget was prepared.

The figures do not include supplies to provinces, railways, etc., as the cost is paid for by them direct to the mills.

These figures, however, include supplies to U.S.A. Army, the Eastern Group Supply Council and Central Provision Office.

The average price per ton of paper has increased from Rs. 580 in 1941-42 to about Rs. 760 in 1942-43 and about Rs. 1,000 for 1943-44.

**STERLING AND RUPEE TRANSACTIONS OF THE RESERVE BANK OF INDIA.**

**131. THE HONOURABLE MR. HOSSAIN IMAM:** Will Government state (a) the rate at which Reserve Bank is bound to pay sterling if rupee is tendered and to pay rupees if sterling is tendered and (b) has any transaction taken place in the current and last year on this basis, if so, for what amounts?

**THE HONOURABLE MR. C. E. JONES:** (a) The attention of the Honourable Member is invited to sections 40 and 41 of the Reserve Bank of India Act, 1934.

(b) Information in respect of 1941-42 is given in the Report of the Reserve Bank on Currency and Finance for that year—a copy of which is available in the Library of the House. The Report for 1942-43 has not yet been published.

**THE HONOURABLE MR. HOSSAIN IMAM:** Do I understand that the Honourable Member means that the report contains this information?

**THE HONOURABLE MR. C. E. JONES:** Certainly, Sir.

**THE HONOURABLE MR. HOSSAIN IMAM:** The purchases are given there but not those on which they are bound to sell under the Reserve Bank Act. There is a difference between the two.

**THE HONOURABLE MR. C. E. JONES:** I regret, Sir, I am unable to follow the distinction.

**OPIUM REVENUE.**

**132. THE HONOURABLE MR. HOSSAIN IMAM:** Will Government state the reasons for increased expenses and decreased income under Demand No. 5—Opium?

**THE HONOURABLE MR. C. E. JONES:** The Honourable Member is not correct in assuming that Opium revenue is decreasing. On the contrary, it has increased from Rs. 48 lakhs in 1940-41 to Rs. 65 lakhs in 1941-42 and is estimated at Rs. 89 lakhs in 1942-43 and about Rs. 108 lakhs in 1943-44. It is expected, however, that the net revenue in 1942-43 and 1943-44 will decrease as compared with that realised in the year 1941-42 due to the heavy expenditure incurred on opening new divisions for increasing the quantity of opium produced following the heavy demand consequent on the war and the necessity for making supplies to the United Kingdom, the United States of America and the Eastern Group countries. The benefit to revenue of this increased production will be realised only in subsequent years owing to the time taken in setting up the administrative machinery necessary for increased production, in growing the additional crop and in realising the sale proceeds therefrom.

**THE HONOURABLE MR. HOSSAIN IMAM:** Do we take it that the supervisory staff has been increased, or that the lower staff has been increased?

**THE HONOURABLE MR. C. E. JONES:** A number of additional divisions have been created for effecting a very considerable increase in opium production, and a certain amount of plant for the manufacture of opium alkaloids has also been purchased. The revenue benefit of this expenditure will be realised next year and the subsequent years.

**THE HONOURABLE MR. HOSSAIN IMAM :** Was this matter submitted to the Standing Finance Committee and their approval taken ?

**THE HONOURABLE MR. C. E. JONES :** I could not say offhand, Sir.

EXPENDITURE ATTRIBUTABLE TO THE WAR UNDER EACH DEMAND.

**133. THE HONOURABLE MR. HOSSAIN IMAM :** Will Government give the figures for the years 1941-42, and revised estimates of 1942-43 and budget figures of 1943-44, for the net expenditure under each Demand Head for expenses other than Defence, necessitated and caused by the war, e.g., National War Front, Civil Pioneer Force, Civil Defence, etc. ?

**THE HONOURABLE MR. C. E. JONES :** It is not possible without the sacrifice of an amount of time and labour altogether disproportionate to the results to be achieved to calculate the exact amount of net expenditure attributable to the war under each Demand.

**THE HONOURABLE MR. HOSSAIN IMAM :** Could the Honourable Member give us approximate figures ?

**THE HONOURABLE MR. C. E. JONES :** I could not, Sir. There is hardly a Demand that has not swollen on account of the war, and we would have to refer to all the Departments and ask them to scrutinise their budgets for the three years in question as against their pre-war budgets to ascertain, even approximately, the amount of additional expenditure attributable to the war.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Can the Honourable Member at least tell us the expenditure incurred in connection with the National War Front and the Civil Pioneer Force, as that is wholly due to the war, and the Honourable Member will not have to make any calculations ?

**THE HONOURABLE MR. C. E. JONES :** I cannot give, at short notice, the additional expenditure on individual items. There are a certain number of demands and appropriations which indicate the bulk of the expenditure arising out of the war. I would just refer to Demand No. 16—Civil Defence Department; Demand No. 17—Department of Information and Broadcasting; Demand No. 20—Department of Indians Overseas; Demand No. 25—War Transport Department; Demand No. 26—Food Department; Demand No. 32—Jails and Convict Settlements; Demand No. 33—Police; Demand No. 73—Civil Defence. Necessary details in respect of the three years, in question, namely, 1941-42, 1942-43 and 1943-44, are already conveniently set out in the volume of the Demands for Grants for 1943-44, to which I would invite the attention of those Honourable Members who wish to know the scale of this expenditure.

**THE HONOURABLE MR. P. N. SAPRU :** May I point out that the question is a very limited one; that is, what is the expenditure under each of these three items given in the question—expenditure necessitated by the war? The three items referred to are the National War Front, the Civil Pioneer Force and Civil Defence. My Honourable friend Mr. Hossain Imam does not want any other information.

**THE HONOURABLE MR. C. E. JONES :** Those are purely illustrative. What the question asks for is the net expenditure under each Demand Head for expenses other than Defence necessitated and caused by the war; and my answer is that practically every Demand is affected.

SILVER SALES AND SUPPLY OF RUPEE COIN TO THE RESERVE BANK OF INDIA.

**134. THE HONOURABLE MR. HOSSAIN IMAM :** Will Government give approximate figures of the three broad divisions (a) sale of silver, (b) one rupee note and (c) miscellaneous debts head transaction—expected to yield 162 crores by 31st March, 1944 ?

**THE HONOURABLE MR. C. E. JONES :** A statement is laid on the table.

*Statement showing approximate figures of silver sales and supply of rupee coin to the Reserve Bank and miscellaneous debt head transactions during the five years ending 1942-43.*

(In crores of rupees.)	
(a) Sales of silver, and (b) Supply of rupee coin to Reserve Bank . . . . .	79
(c) Miscellaneous debt head transactions :—	
1. Net credits to War Risks Insurance Funds . . . . .	32
2. Net assets taken over against Burma Note Issue liability . . . . .	21
3. Small coin profits not taken to revenue . . . . .	15
4. Rest . . . . .	15
Total . . . . .	83
	162

TOTAL CONTRIBUTION RECEIVED BY THE INDIAN RED CROSS SOCIETY.

135. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Will Government state the total contribution received by the Indian Red Cross Society, Central Organisation, from the different agencies collecting money for the various war funds ?

(b) How much of the contribution has been spent for the provision of medical treatment and amenities for Indian and British troops in India, respectively ?

(c) What is the amount spent outside India for the benefit of Indian and British troops, respectively ?

(d) Has any money been spent on the provision of institutes and amenities for nurses ? If so, what is its total amount and how much of it has been spent for the benefit of British and Anglo-Indian nurses and Indian nurses, respectively ?

THE HONOURABLE MR. C. M. G. OGILVIE : The Indian Red Cross Society is not an official organisation and the information desired by the Honourable Member is not at present available. The Red Cross Society have been asked to supply the required information and it will be placed on the table of the House as soon as it is made available.

DEATH OF PROFESSOR CHANDRA BHAL JOHRI.

136. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Is it a fact that Mr. Chandra Bhal Johri was arrested on the 9th August, 1942, and detained as a security prisoner in the Benares Central Jail ?

(b) Was he ill when arrested and was he transferred\* to Lucknow for treatment only on the 17th January, 1943 ?

(c) Is it a fact that after his arrival at Lucknow, he was kept in the Central Jail till the 27th January, 1943 and that when his condition grew worse he was transferred to Balrampur Hospital and not to the King George's Medical College Hospital where the best medical advice would have been available ? Was he kept in a ward occupied by 22 other patients ? Why was he not sent to the King George's Medical College, when he was sent by Government for treatment in 1941, immediately after his arrival at Lucknow ?

(d) Was no information about his condition given either to his wife who is a Professor in the Women's Theosophical College, Benares, or to his brother who lives in Lucknow ?

(e) Did his brother who came to know accidentally on the 28th January, 1943, that he was in the Balrampur Hospital and seriously ill, ask that he should be kept in a special ward and that a nurse should be engaged to attend on him ? Was his request turned down by the Inspector General of Civil Hospitals, United Provinces, although he offered to meet the necessary expenses ? If so, why ?

(f) Was Mr. Chandra Bhal's brother allowed to see him only on the 5th February when he was unconscious and was he allowed to be removed from the Balrampur Hospital the same night ?

(g) Is it a fact that he did not recover consciousness and died on the 10th February ?

(h) Will Government inquire why he was so callously treated and his wife and brother not allowed to see him before he became unconscious ?

THE HONOURABLE MR. E. CONRAN-SMITH : (a) Yes.

(b) I have no information of his being ill at the time of his arrest but I understand that he had suffered from a chronic disease of the heart for some twenty years. He was transferred to the Lucknow jail on the 17th of January, 1943 owing to the superior facilities there for the diagnosis of heart diseases and for their treatment by X-ray and electro-cardiograph.

(c) His condition in the Lucknow Central Jail was satisfactory until January 22nd, when he had an attack of fever, developing into influenza, which necessitated his transfer to the Balrampur Hospital on January 27th. I have no information regarding the merits of the medical advice available in the King George's Medical College Hospital as compared with that available at the Balrampur Hospital, nor have I any information to confirm that he was previously treated in the King George's Medical College Hospital. From the time of his admission into the Balrampur Hospital my information is that he was accommodated in a special ward.

(d), (e) and (f). On the day of Professor Johri's admission to hospital, his brother saw the Civil Surgeon and was informed of the patient's serious illness. He asked to be allowed to visit the patient and was directed to obtain a pass from

the District Magistrate or the Superintendent of Police, but he made no attempt to do so. On February the 3rd, when Professor Johri's condition became critical, a telephone message to this effect was sent to his brother. No one made any attempt to visit the hospital, however, until February the 5th, when Professor Johri's wife and brother were permitted to see him. It is not true that the authorities refused to transfer him to the special ward. As I have already said, he was admitted to the special ward from the date of his admission to the hospital. He was not unconscious when visited by his wife and brother on February the 5th and in fact he spoke to them both. He was released and discharged from hospital that same day, at the request of his wife, under special arrangements made by the United Provinces Government. During his stay in hospital he refused to allow any blood examination or any other examination involving pricking with a needle. He also refused medicine stating that he believed in homoeopathy.

(g) He died on February the 10th. I have no information as to his condition during the intervening period.

(h) No. Government repudiate the insinuation that this prisoner did not receive proper treatment.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: He was transferred from Benares to Lucknow owing to his illness. May we know why he was not sent to hospital immediately but was kept in the jail itself for ten days?

THE HONOURABLE MR. E. CONRAN-SMITH: That is covered by the very full answer I have given. Is my Honourable friend's point that he ought to have been transferred to the hospital immediately he developed this influenza cold?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Yes; I wanted to know why he was not immediately sent to the hospital, and why he was kept in the Central Jail for ten days when he had been sent to Lucknow for special treatment.

THE HONOURABLE MR. E. CONRAN-SMITH: Exactly. He was sent to Lucknow because there were special facilities there for the diagnosis of heart diseases. But when he got an attack of fever, which subsequently became influenza, he was transferred to the Balrampur Hospital. It seems to me that the authorities acted with absolute propriety in the matter.

THE HONOURABLE MR. P. N. SAPRU: Do the superior facilities referred to by the Honourable Mr. Conran-Smith mean that there were superior facilities for medical treatment in the jail or superior facilities in the hospitals in Lucknow?

THE HONOURABLE MR. E. CONRAN-SMITH: I think, Sir, I stated with absolute clarity that the Lucknow jail had superior facilities for the diagnosis of heart diseases, etc., and it is clear by that that I meant superior facilities over those existing in the jail where he was previously.

THE HONOURABLE MR. P. N. SAPRU: What superior facilities had the Lucknow jail in the matter of diagnosis of heart diseases and who is the doctor in charge of the Lucknow jail and what particular qualifications has he in diseases of the heart?

THE HONOURABLE MR. E. CONRAN-SMITH: I think that I am entitled to ask for notice of a question which requires so much medical knowledge.

THE HONOURABLE MR. P. N. SAPRU: Is the Honourable the Home Secretary aware that the first hospital in Lucknow is the King George's Medical College Hospital and that the facilities for which Lucknow is noted in medicine are to be found in the King George's Medical College Hospital?

THE HONOURABLE MR. E. CONRAN-SMITH: I regret, Sir, that the Honourable Member who hails from the United Provinces has the advantage of me in that matter.

#### EVACUEES EMPLOYED UNDER THE CENTRAL GOVERNMENT.

137. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) What is the total number of evacuees from Burma and Far East employed under each Department of the Government of India?

(b) How many of the evacuees are (1) Britishers, (2) Indians, (3) Anglo-Indians, (4) Burmans, (5) Anglo-Burmans and (6) others?

(c) What are the posts to which the Burmans and Anglo-Burmans have been appointed in Departments other than the War Department, and what are the salaries they receive?

**THE HONOURABLE MR. C. M. G. OGILVIE :** The information is being collected and will be laid on the table of the House in due course.

**EVACUEES EMPLOYED BY PROVINCES.**

**138. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** What is the total number of (1) Anglo-Burmans and (2) Burma evacuees who have been employed in each province? What are the posts which they hold and what are their salaries?

**THE HONOURABLE MR. C. M. G. OGILVIE :** The information is being collected and will be laid on the table of the House in due course.

**CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL.**

**REPORT OF THE COMMITTEE ON PETITIONS.**

**THE HONOURABLE RAJA CHARANJIT SINGH (Chairman of the Committee on Petitions) :** Sir, I beg to present the Report of the Committee on Petitions on the Bill further to amend the Code of Criminal Procedure, 1898.

We, the undersigned members of the Committee on Petitions to whom the petition of one Mr. V. Narasimhamurthy relating to the Bill further to amend the Code of Criminal Procedure, 1898, has been referred, have the honour to submit this our Report.

We, have examined the petition. The petition which is in opposition to the Bill is in conformity with the Standing Orders and we direct that the petition be circulated *in extenso* as a Paper to the Bill.

CHARANJIT SINGH.  
K. RAMUNNI MENON.  
M. N. DALAL.  
HIRDAY NATH KUNZRU.  
S. MUHAMMAD HUSAIN.

**NEW DELHI :**  
*The 11th March, 1943.*

**RESOLUTION RE ANNUAL RETURNS SHOWING COMMUNAL PROPORTION OF PERSONS EMPLOYED.**

**THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) :** Sir, I rise to move the Resolution which stands in my name. There is a little correction which, with your permission, I would like to make, and which has been left out by oversight :—

“ This Council recommends to the Governor General in Council to direct all Departments of the Government of India and their attached and subordinate offices to submit—

(i) annual returns showing communal proportion of persons appointed (Indians and Europeans) during the year in various grades separately of permanent and temporary appointments—”

Here I wish, Sir, to add the words “ subject to communal proportion ”.

**THE HONOURABLE THE PRESIDENT :** Is that not covered?

**THE HONOURABLE MR. HOSSAIN IMAM :** It is not clear.

**THE HONOURABLE THE PRESIDENT :** I think it is perfectly clear.

**THE HONOURABLE MR. HOSSAIN IMAM :** If it is clear, then I do not want this addition.

“(ii) annual returns showing the number of persons belonging to various communities appointed in each Department during the year to permanent and temporary appointments to which the Home Department's orders regarding communal proportion do not apply; and

(iii) that the above returns be placed in the Library of the House every year.”

**THE HONOURABLE MR. E. CONRAN-SMITH :** Sir, may I make a point? I think the Honourable Member is actually altering the first part of his Resolution because if he adds the words “ subject to the communal proportion rules— ”

**THE HONOURABLE THE PRESIDENT :** He has not done so. He has withdrawn it.

**THE HONOURABLE MR. HOSSAIN IMAM :** I have withdrawn it because it has been stated that it is perfectly clear that what I meant in the first part are those appointments which are subject to the regulations and the second part relates to those appointments which are not subject to those regulations. If the meaning is clear, then it is all right.

This Resolution is a very innocuous and modest one. I will not say that the mainspring for this Resolution is paper economy, but paper economy is a bye-product of this measure. At the moment the position is : that the Government of India have a Home Department Resolution of 1934 by which the proportion for the different communities has been fixed. That Resolution of the Government of India is more honoured in its breach than in its observance. Various methods have been evolved

[Mr. Hossain Imam.]

to avoid the implications of that Resolution. Many methods have been tried and adopted in different Departments. Some Departments, by making the appointments technical, avoid the issue of Indianisation altogether, and the most glaring example of that is the Civil Defence Department which has been making appointments of evacuees from Burma, Europeans and Anglo-Burmans, right and left. It has become almost scandalous the extent to which this power has been utilised to avoid the Indianisation of the Indian Services. The higher appointments, as was made clear in a statement laid on the table of this House some time back, are given to foreigners. For me, Sir, it does not matter whether a person is a European or an Anglo-Burman or an Australian. He is not an Indian and that is enough for me. We in this House are placed at a great disadvantage. Government's appointments are so many, so varied and in so many places that if I were to put down a question for each Department and ask the Government to give us the figures of the appointments made during the year, the result would be that the Government would give me the stereotyped reply that they have neither the time nor the mind nor the intention of doing the right thing and give us replies. Government have become too callous, and due to the weakness of the Opposition, they do not wish to come out with their actions. They wish to hide them and the best method of doing so is not to reply. I want that all these difficulties should be eased and the method which appealed to me was that instead of asking the Government every time to give a reply to my question, then print it in the proceedings and have hundreds of copies printed, I should ask for annual returns and have them placed in the Library of the House. If any one wants information, he has no need to ask Government to give a reply and publish it in the proceedings of the Assembly and the Council. He can go straight to the Library and find out. If he finds that there has been any hanky-panky business, he can draw the attention of the Government to that very point. Now we have to fish out whether there is any sort of mishandling in any Department or not. Many times we get figures which are suspicious; on other items we do not get figures. If the Government are honest they should not try to take shelter being these stereotyped answers that they cannot collect this information and that. This does not involve any great labour. It is only a question of routine work. If the Government really wish that this Resolution should be honoured in practice and that it should not become a dead letter, they are in duty bound to give the returns so that the representatives of the people may have access to those returns. If the Government feel that the better method of having access to the statistics is by wading through the Council proceedings, I have no grouse but it would be unnecessary waste of paper and printing. If they are not prepared to accept the Resolution on the ground that the war has liquidated everything and the necessity of having any safeguards has gone, I would only submit that the Government is taking mean advantage of this occasion. I find, Sir, most glaring instances of jobbery so far as Europeans are concerned. It is not so much from a communal point of view that I have brought forward this Resolution as from the Indian point of view. In one of my items I have mentioned Indians and Europeans only. My idea is to find information on both counts, because it is only in Indian appointments that we can claim a share. I am as much interested in getting a higher share for the Indian services as anybody else. Unless Indians get a higher share my people cannot claim a higher share and to give appointments to Europeans is as much anti-Muslim as it is anti-Hindu. Now, Sir, I should like to ask the Government to consider for a moment whether this sort of treatment which they have been meting out to both Houses of the Legislature, in any way advances their popularity and the love of the people for them. Do they not needlessly serve the purpose of the enemies of India and bring the Government established by law into hatred and contempt? It is your action, your lame excuses, your evasions which do more to antagonise Indian people to the Government than all the efforts of the Congress or the League. As a member of the Opposition I have no reason to complain against you, because that increases my popularity. You are indirectly helping me. But I do feel that you are doing injustice to yourself and to those Indians who have given you support. I wish to suggest to the Government that if a Resolution like this is refused it would have repercussions which would not be commensurate with the saving of labour which is the plea that Government always put forward. Sir, in view of the fact that there

are many Resolutions on the order paper today I do not wish to detain the House much longer.

Sir, I move.

**THE HONOURABLE MR. E. CONRAN-SMITH** (Home Secretary) : Sir, it seems to me that my Honourable friend has done some rather devious thinking. He has tabled a Resolution which on the face of it is concerned with the duty imposed on Government, and imposed on the Honourable Member by himself, of watching that the orders on the subject of communal representation in the services are duly observed. On to that he has tacked a charge of racial discrimination. I feel, Sir, I am justified in dealing with this Resolution as it stands. Its intentions are not altogether clear and I think that lack of clarity was recognised by the Honourable Member himself when he endeavoured to explain what he meant by the first part of his Resolution. He has since made it clear that the returns for which he asks refer only to appointments to posts in respect of which the communal orders apply. Had it not been for his second proposal, I should have said that Government would find no difficulty in accepting his Resolution, because the information for which he asks is already given in the printed returns, copies of which have been placed in the Library of the House.

I must go back for one moment to my opening remarks, because the question of the extent of this Resolution is important. My Honourable friend has referred to appointments of Europeans in posts to which Indians ought to have been appointed. I am at a disadvantage in dealing with the charge, because I do not know to which posts he is referring. But I would point out that the type of post he apparently has in mind is not one in regard to which the communal representation orders apply. The charge is therefore really irrelevant to the terms of this Resolution. In the interests of Honourable Members, to whom the subject-matter of Mr. Hossain Imam's Resolution is not of such absorbing interest, I would confine my remarks to its substance and not to the extraneous matter tacked on by the Honourable Member, possibly to justify his action in bringing the subject before the House. First let me say what is the nature of the existing communal returns. They are two. This first printed statement shows the communal composition of the staff on the 1st of January each year. It shows both Europeans and Indians separately and it shows temporary and permanent posts separately. The second statement shows communitywise the number of appointments made by direct recruitment during the year. Those two statements therefore give all the information for which my Honourable friend asks so long as he confines himself to posts to which the communal representation orders apply.

The second portion of his Resolution however refers to the number of persons belonging to the various communities appointed in each Department to permanent and temporary appointments to which the Home Department's orders regarding communal proportions do not apply and that I think is really the pith and substance of my Honourable friend's Resolution, even though it is not stated in so many words. Certain posts and Services are exempted from the operation of the communal representation orders. Certain other posts to which appointment is made by promotion or transfer are not affected by the communal representation orders, that is to say, those orders are not applicable. It is possible to read the second portion of the Resolution as covering both those classes and as my Honourable friend is nodding his head I take it that though he did not say so, he really meant that. What then is the justification for spending time, money, paper, printing, on returns of appointments to which admittedly the communal orders do not apply. Supposing for my Honourable friend's satisfaction I agreed to waste so much time and money, paper, etc., on printing these returns and the Honourable Member satisfied himself, as I am sure he would, that his community had been ignored, what could be done about it? Will the Honourable Member tell me that Government should change their whole policy and apply the communal proportion orders to posts in respect of which at present freedom of selection is given? Is that the Honourable Member's intention? If so, I think he ought to have been more honest and have said so quite clearly.

**THE HONOURABLE THE PRESIDENT** : His community would suffer the most by it.

**THE HONOURABLE MR. E. CONRAN-SMITH :** Very possibly, Sir.

There is a further small point in respect of posts and services exempted from the operation of the communal representation orders. Possibly my Honourable friend can explain it but I cannot myself understand how you can maintain communal proportions in individual posts; how you can have more than one member of a community appointed to individual posts. I say that because if the Honourable Mr. Hossain Imam will refer to the lists of exempted posts and services which Government have notified and did not conceal in any way as my Honourable friend suggests is our practice—he will find that there are a certain number of posts in the subordinate services for which special qualifications are required included in the lists. I will give him a few examples: Draftsman, Engineer-in-Chief's Office, Lighthouse Department, Accountants in the Port Trust, Calcutta, etc. I do not think I need multiply these cases. There are several others where special qualifications are required and if my Honourable friend had his way he would be given an opportunity of watching each year whether those individual posts are held by a Muslim, European or members of any other community. I suggest that that would be a complete waste of time and paper. I must repudiate, however, very definitely the suggestion that Government by giving a stereotyped reply that the collection of the information which the Honourable Member wants will involve an amount of time and labour which is not justifiable in wartime are merely concealing information. The suggestion that by giving that answer Government are trying to conceal something is totally untrue. The acceptance of Mr. Hossain Imam's Resolution will in fact involve an immense amount of extra time and labour which we could ill-afford just now and Government are perfectly justified in refusing to accept it. Until the position became such that Government could not afford the time I think I can say that my Honourable friend has been given all the information for which he has asked, even at the cost, as I know to my cost, of considerable labour.

Well, Sir, in conclusion I would like again to go back to what I conceive is the real object of this Resolution, namely, to enable my Honourable friend to see that members of his community get a fair deal in regard to appointments to posts filled by promotion. A fairly considerable experience of work in the Home Department convinces me that that is the real intention and I may say that investigations of complaints received in the past have nearly always shown that the case in respect of which a complaint was made related to that type of appointment. Sir, I think my Honourable friend is aware that Government in response to representations on this subject themselves issued orders in September last designed to ensure that none of those abuses, to which my Honourable friend has referred, should occur, or at any rate that they should be prevented as far as possible, and they intend to watch the operation of those orders. Briefly, they are that except in certain classes of appointments which must be defined as open to selection seniority must as a general rule be given its due weight and good men should not be passed over by their juniors merely because their juniors are, other things being equal, judged to be better than they. I suggest, Sir, that in issuing those instructions Government have gone as far as they can justifiably be asked to go to meet the apprehensions expressed by my Honourable friend and other members of his community. In the circumstances which I have stated I think it will be clear to the House that Government cannot accept the Resolution of my Honourable friend.

**THE HONOURABLE MR. HOSSAIN IMAM :** I was prepared for the refusal of the Government to co-operate and am going to reply to certain charges which the Honourable the Home Secretary has made.

**THE HONOURABLE THE PRESIDENT :** You made the charges in the first instance; very serious charges indeed.

**THE HONOURABLE MR. HOSSAIN IMAM :** Sir, it is the privilege of the Opposition to make charges.

**THE HONOURABLE SIR MAHOMED USMAN :** Not imaginary charges.

**THE HONOURABLE SIR DAVID DEVADOSS (Nominated Non-Official) :** What is the Opposition here for then?

**THE HONOURABLE MR. HOSSAIN IMAM :** I wish first of all to draw the attention of the House to the fact that the Honourable the Home Secretary has evaded the issue.

**THE HONOURABLE MR. E. CONRAN-SMITH :** Which issue.



**THE HONOURABLE MR. HOSSAIN IMAM:** I am just coming to that, Sir. My point was that facilities should be given to us to examine how far the provisions of the Home Department orders are accepted in spirit; not only in their letter but in spirit. Now I have a grievous complaint that in any service you will find that if before 1934 the number of appointments by promotion was 10 per cent. it has now become 40 per cent., merely because promotions are free from Home Department regulations. Then other means have been found, Sir, of evading the issue and it was in order to guard against all these things that I wished only that all available material with the Government of India should not remain a secret of the Home Department but should be shared by the members of the Legislature. I think it might be a presumption on our part but I think that we have also a *locus standi* and should know how things are done in India. Perhaps the present British Government thinks that it is not the business of Indian representatives. If that is true, Sir, then I have no *locus standi*. I do not wish to bring in any sort of sentiment into it; I wish to examine it purely and simply from the point of view of equity.

I think the Government is still labouring under a misunderstanding in feeling that its appointments are the preserve of the Government to give to whomsoever it wants. The modern trend of political thought has reduced the position of the Government to that of a reservoir whose duty it is to equalise distribution of wealth. Its duty is no longer of seeing that there is no robbery or theft. That was the concept of a government of long, long ago. The duties of a government in modern times are multifarious. It has to educate; it has to look after the health and wealth of the people; it has to look after the prosperity of the people. Look at the Soviet Government. Look at the Nazi Government. Look at the work those governments do in spite of the war and a tremendous war effort. Even in these conditions your ally as well as your enemy are doing a lot of work. Compare that with your puny war efforts and the great excuses which you always put forward, that the war has done this, that the war has done that, and so on. It has simply provided a golden opportunity for filling the pockets of a few fortunates, Europeans as well as Indians. There is no war in India in the sense in which the war is being fought in Europe, in the sense in which it is being fought in the South Pacific, in the sense in which it is being fought in North Africa. And yet our Government is so busy that it cannot do anything else than find jobs for its own people.

Sir, I have at least one satisfaction—that the Government has admitted that my community has some ground for a grouse. Government admit the existence of an unsatisfactory state of affairs as far as the Muslim nation's share is concerned. Their efforts to right the wrong may not be enough. We have learnt to our cost, Sir, that as far as the Muslims' share is concerned, there is not only my sister community which stands in the way, but there is the European community also which stands in the way. There is a combination of the two to keep me out. But I realise that the Government, as it is at present constituted, is not only irresponsible, but irresponsive; and, due to the peculiar constitution, it does not feel the need of getting the goodwill of the people of India. Circumstanced as we are, it is not possible for us to force our will on the Government. But we have our protest to make; and we cannot do anything but make our protest.

**THE HONOURABLE SIR MAHOMED USMAN (Leader of the House):** May I just say a word, Sir? I cannot understand the attitude of my Honourable friend Mr. Hossain Imam. Instead of throwing any light on the subject, from the very beginning he has simply taken an imaginary case and vented his wrath. And now he says that the Government of India is irresponsible and irresponsive. I cannot understand what he means by that. I think he ought to be grateful to the Honourable the Home Secretary for the light he has thrown on the subject of promotions. If I remember aright, in 1940 or 1941 there was a cut motion in the Assembly. The Muslim League Party in the Assembly was rather dissatisfied with the way in which promotions were made, and therefore wanted Government to come out with some order; they wanted that the whole question of promotions should be placed on a proper basis. I am glad that my Honourable friend Mr. Conran-Smith, who is a distinguished member of the Indian Civil Service who was for many years in Madras, and who had been well educated in the communal politics of South India, was able, thanks to his presence in the Home Department, to bring

[Sir Mahomed Usman.]

out an Office Memorandum in September last. I quoted that Memorandum a few days ago. I think it places the subject of promotions on a scientific basis. Instead of being grateful to the Honourable Mr. Conran-Smith, my Honourable friend Mr. Hossain Imam is attacking him. That is all that I wanted to say. And I take this opportunity of mentioning to my Honourable friend Mr. Hossain Imam that the Muslim community should be very grateful to the Secretary of the Home Department for the Office Memorandum of September last.

THE HONOURABLE MR. E. CONRAN-SMITH : Sir, I only want to add one or two brief remarks. The Honourable the Leader of the House has covered one point which I wished to make—that was to develop a little further the question of the instructions we have issued to prevent any possible abuse which may exist. But I would like to say that I did not admit that the Muslim community had a grievance : I admitted that the Muslim community had a sense of grievance, and we are very anxious, as far as we can, to remove that sense of grievance. I must confess that I was moved almost to tears by the picture which my Honourable friend drew of himself and his community being crushed between the upper and lower millstones of the Hindu and the European communities.

The other point I wanted to add, which I forgot to make in my original remarks, is this. The Honourable Mr. Hossain Imam has said a good deal about Government avoiding the burden of work thrown on them by his questions. I would suggest to my Honourable friend that he himself can extract the information which he ostensibly desires by taking the two statements as they now stand ; that is to say, if he takes Statement I and Statement I of the previous year and finds out the increase in his own community,—if he then takes Statement II, which gives the appointments made by direct recruitment during the year, and subtracts that figure from the other figure, he will be able to find out approximately how many Muslims in a particular department have been appointed by promotion or transfer.

THE HONOURABLE THE PRESIDENT : Resolution moved :—

“ This Council recommends to the Governor General in Council to direct all Departments of the Government of India and their attached and subordinate offices to submit—

- (i) annual returns showing communal proportion of persons appointed (Indians and Europeans) during the year in various grades separately of permanent and temporary appointments ;
- (ii) annual returns showing the number of persons belonging to various communities appointed in each Department during the year to permanent and temporary appointments to which the Home Department's orders regarding communal proportion do not apply ; and
- (iii) that the above returns be placed in the Library of the House every year.”

Question put and Motion negatived.

### RESOLUTION *RE* UNIFORMITY OF LAWS TO PREVENT ALIENATION OF AGRICULTURAL LAND.

THE HONOURABLE SIRDAR NIHAL SINGH (Nominated Non-Official) : Sir, I move :—

“ This Council recommends to the Governor General in Council to introduce legislation at an early date to effect—

- (a) uniformity of laws in the various provinces of the country to prevent alienation of agricultural lands ;
- (b) relief of indebted agriculturists by advance of loans without interest ; and
- (c) enforcement of the law of Dam dupat in respect of all debts advanced to agriculturists.”

Sir, I crave your permission to refer briefly to events leading up to circumstances that compelled Provincial Governments to pass the Debt Acts. In pre-British period money lending in India was done by the *sahukar*. He was a trusted and useful member of the agricultural community. He was a friend and well-wisher of his client and was well posted with their financial positions ; money was lent by him within their financial capacity to tide over difficulties. The idea of lending money with the motive of acquiring their property never crossed his mind.

The British people introduced the doctrines of their own laws in the legal system of the country. Laws were promulgated to regulate contracts and set up Courts to enforce the terms of the contract. These laws simple and harmless in appearance brought about a great revolution. They inaugurated purely commercial relations and dispensed with the necessity of goodwill and harmony between the lender and the borrower. Even in early Eighties some people began to feel uneasy about the shape things were taking. They pointed out that application of highly com-

plicated system of law to contracts made by rustic agriculturists was leading to their ruin. The warning was not heeded and things continued to grow from bad to worse, until they became so alarming that they disturbed even the Government's peace of mind. At least steps were taken to make a systematic study of the threatening situation. A Royal Commission on Agriculture was appointed under the chairmanship of a distinguished statesman who is now our Viceroy. The Report was published in 1928. I have no hesitation in asserting that this Report holds the first place in the scheme of rural reconstruction. The Royal Commission very carefully examined the question of agricultural debt. They were much struck by the magnitude of the problem and extensively dealt with it.

Immediately after the publication of their Report, Banking Enquiry Committees were set up to study the rural credit system in all its phases and to calculate the aggregate amount of agricultural debt. These Committees published their Report in 1929.

In 1930 occurred the great economic upheaval known as depression of such serious nature that people even began to fear that it would destroy European civilisation. In India also it created a very grave situation. Overnight the price of commodities fell like a dead weight and the burden of agricultural debts doubled. It was fortunate that these enquiries had published their reports. The Provincial Governments were in possession of relevant facts and figures when depression of 1930 came. They realised that to allow the law to run its course on the top of depression was impossible, so they stayed execution of decrees against agriculturists. Having done that they sat down to solve the problem. Stay of execution having tided over the crisis, the mind of Provincial Governments began to move in the old ruts and their faith in the doctrine of sanctity of contract revived and in that mood they have passed certain Debt Acts. The question is, have these Acts provided effective remedies for the evils pointed out by the Royal Commission and the Banking Enquiry Committees ?

After these remarks, I shall now place before you some of the findings of the Royal Commission which are as follows :—

(1) That in India no distinction is recognised between debts for productive and debts for non-productive purposes. This has led to financial confusions and widespread indebtedness. The existence of this kind of debt is detrimental to agricultural progress.

(2) The system is usurious and the money-lending for unproductive purposes leads to poverty and economic servitude. The steady absorption of rights in land, places the money-lender in a position of uncontrolled power and uncontrolled power is almost invariably abused.

(3) When land passes into the hands of a person who has no natural or historical connection with the estate and is only interested in the immediate exploitation of the property in his control, it often leads to economic servitude.

(4) In Bihar and Orissa, Kamiati system is practically a system of cultivation by serfs. A Kamiati bond involves a life sentence. He is an absolute slave. This is an example of the worst effect of unchecked money power.

The Banking Enquiry Committee estimated that the aggregate amount of zamindari debts in 1928 for each Province was as follows :—

	Rs.		Rs.
Bombay	81 crores.	Bihar and Orissa	11 crores.
Madras	150 crores.	Assam	22 lakhs.
Bengal	100 crores.	Central area (Ajmer, etc.)	18 crores.
The Punjab	90 crores (in 1928)	United Provinces	124 crores.

and 135 crores (in 1931).

The net rent of the United Provinces in 1928 was Rs. 13 crores. Interest on the United Provinces zamindari debts continued to run (for the years 1928 to 1935 at an average rate of 10 per cent. and for the years 1935 to 1943 at 3½ per cent.), and it may be assumed that the amount due now is Rs. 2.39 crores. The net profits of the entire zamindari land in 1928 was Rs. 13 crores a year (one-third was free from debt). Profits were reduced by remission to Rs. 9 crores. Therefore the debts have to be satisfied by property yielding a net profit of Rs. 6 crores. The value of this land at eighteen times the net profits is only Rs. 108 crores. Yearly interest on Rs. 239 crores at 3½ per cent. is Rs. 7.77 crores. Conditions in other.

[Sirdar Nihal Singh.]

Provinces, there is no reason to doubt, are equally bad if not worse. Agricultural debts in India have become quite unpayable.

In short, the diagnosis of the Royal Commission is that one limb of mother India has become septic and the diagnosis of the Banking Enquiry Committees is that infection has advanced to such a degree that the septic part has to be amputated. Treatment prescribed for it by Provincial Governments is to be found in the Debt Acts.

All the provinces—

(1) Have passed Money Lenders Act under which money-lender has to get himself registered and has to maintain and to submit to the debtor statement of his accounts in a prescribed form.

(2) Amended Usurious Loans Act and defined what rates of interest shall be deemed usurious.

(3) Have established Conciliation Boards. The object of Conciliation Boards is to bring about an amicable settlement between the debtor and his creditors and to frame a scheme of liquidation by instalment.

The United Provinces has passed the Encumbered Estates, Regulation of Sales and Debt Redemption Acts. The basic policy of the Encumbered Estates and Regulation of Sales Act is that the debtor is not to be deprived of any larger share of his agricultural land to satisfy his debt than he would have sold for that purpose at market rates before the slump. This share is determined by liquidation court and transferred to the creditor. The land is not sold by auction. The rule of Damdupat has been introduced on the basis that the amount to be decreed for interest remaining unpaid is not to exceed the amount of principal found due.

The sheet anchors of the Debt Acts of other Provinces are Conciliation Boards. But in the long run they seem to confer greater benefit on the creditors than on the debtors.

Most of the Conciliation Board Acts provide that application for conciliation is not to be entertained if the debt can easily be paid or has become unpayable. In short only such debt is to be dealt with which, with slight reductions, can be paid off by instalments.

The Government undertakes to guarantee recovery of instalments. This is an inducement to the creditor to accept a compromise (but it has the great defect of making Government assume the role of an irksome creditor).

Recovery of debt by instalment over a period of 20 years is really harder for a debtor than if part of the property is sold and he is allowed to enjoy the income of the rest of it. He would perhaps be in a better position to live comfortably and give better education to his children. Twenty years is almost a span of life and in most cases the benefit of saving the property will accrue to his heirs.

The instalment system has greatly benefited such creditors, as did not wish to become landholders. If court sales had not been stayed, the land market would have been glutted. During the few months of 1930-31 before the sales were stayed, the price of land in United Provinces court sales touched the low level of seven times net profits and it was sure to have dropped further and such creditors would have suffered disastrous losses.

Also investments market at that time was very tight and money realised by court sales ran the risk of remaining idle. Under instalment system the creditor finds a first class investment. The schemes of liquidation when their numbers is so large will affect the prosperity of the country. They will destroy the purchasing power of a very important section without any chance of its reincarnation in some other form.

The heart of the United Provinces Encumbered Estates Act also has a soft corner for the creditors.

If the income of the debtor is sufficient to repay the debts in 20 years at 4½ per cent. the creditor gets Government bonds for the entire amount bearing 3½ per cent. interest.

It is only the agricultural land which is transferred at a fixed price; other immovable properties such as houses, land in urban areas and movables, if necessary, are sold at market rates.

Land is transferred not to satisfy the whole debt but only part of it to make it payable by instalments.

One residential house has to be left for the use of the debtor provided it is not mortgaged. In actual practice this provision almost completely nullified the protection.

What is the debtor to do when he is turned out of the house? He will not be in a position to build another. Under the scheme of liquidation he is left only with bare subsistence allowance.

Most of the Provincial Debt Acts have introduced the Hindu law, doctrine of *Damdapat* in a modified form. The amount of interest to be decreed should not exceed the amount of original principle borrowed. Relief in this form is illusory. The creditors used to enforce their claim before arrears of interest exceeded the principle. I have had opportunity to watch many cases under the Encumbered Estates Act. In the majority of cases the debt was not reduced under this rule. In one or two individual cases some reduction did take place but it did not exceed 5 per cent. of the total liability. The rules in this form put a premium on past efforts to pay interest.

Again, most of the Provinces have amended Usurious Loans Acts. They have specified the minimum rates which are not usurious. These rates range between 25 per cent. simple on unsecured loans and 9 per cent. compound on secured loans. These rates are higher than market rates and it is not necessary to exceed them in the case of safe loans. In the case of petty loans they might have been helpful but such debtors have not the means to go to court. They are slaves of the creditors and must remain in bondage.

Sir, I have stated facts of the case and now I will try to explain the reasons why it is necessary and fair to give effective relief to the indebted agricultural classes.

(1) Mischievous has been caused by the system of laws and the agriculturists are not solely to blame for the existing state of things.

(2) In the interest of the country at large, it is necessary to restore the prosperity of the agricultural classes.

As regards the mischief caused by the system of laws, throughout history the borrower seems to have existed and to have been in need of protection. Christianity and Islam prohibited interest on loans. Under Hindu Law the rule of *damdapat* was applied. In Europe up to the 12th Century, usury was strictly controlled. Laws against usury were repealed in England as a result of Blackstone's teaching in 1852 or 1854. This was the period when commerce and trade has ushered a new era. Money was being borrowed to make more money and thus add to the wealth of the nation. Banks had absorbed the entire money lending business. No distinction was made in English law between productive and non-productive loans or agricultural and other debts. It was not necessary. The unwritten law, the public opinion, put a very strong check on wasteful borrowing. Borrowing money for daily use has always been looked down upon in England. The Banks were not interested in ruining their clients on whose prosperity depended their own. Agriculture as an industry was disappearing and was a matter of secondary consideration to the nation.

It was natural for the British people to introduce in India doctrines of their own law of contract which were helping the progress of their own country.

Grave doubts were, however, felt in some quarters about the wisdom of the innovation. Thus Sir Charles Wingfield, Chief Commissioner of Oudh begged Lord Canning not to confer transferable rights in the Estates on the Taluqdars of Oudh. His advice was not accepted. But it did not take long before the effect of these laws began to be felt throughout India. There were many officers devoted to the service of the country who were not slow to discern gathering clouds on the horizon. Mr. Thoburn of the Punjab, Mr. Fendal Currue of United Provinces, Members of the Deccan Riot Commission of 1875 and members of the Famine Commissions of 1888 and 1891 pointed out that the doctrine of freedom of contract in India meant only one thing, freedom of the money lender to enslave the debtor. All that these distinguished men foresaw has happened. Findings of the Royal Commission on Agriculture and Banking Enquiry Committees in 1929-30 are that the system of laws has reduced the rural populations to a state of economic servitude. The evil is not confined to rural classes. The Royal Commission on Labour has also pointed out that the poor industrialist has been reduced to a state of economic servitude.

[Sirdar Nihal Singh.]

In their words "To talk of sanctity in connection with contract made between money lender and illiterate industrialist is a misuse of a good word".

The system was imported by Burma, Zanzibar and other countries. It uprooted the people of the soil in all those countries also. Millions and millions of harmless good natured Burmans have been turned out of their lands and made homeless by the money lenders. They were not in debt before the system was introduced. They got into debt when it was introduced but one hopes that the system will not be revived when Burma is reconquered. Surely, Sir, there must be something very very wrong with the system if it submerges in debt everybody in every place. Sir, the proof of the pudding is in the eating, merits and demerits of a system of laws have to be judged by the effect they produce on the community.

Eminent economists are of opinion that only such loans can be repaid and are repaid which are raised for productive purposes. Our experience supports this theory. Once an agriculturist, zamindar or cultivator gets into unproductive debts he is caught like a house fly in a sheet of tanglefoot; he never gets out of it. One in a thousand may have done so but such exceptions only prove the rule. Zamindars may be accused of improvidence or even moral turpitude. But if everybody or nearly everybody is the same: (according to the Banking Enquiry Committees, two-thirds of the zamindars of the United Provinces are in debt) it becomes evident that the cause of this trouble is something else and not improvidence or moral turpitude. The recent Enquiry Commission's finding is that the system of laws is solely responsible for this state of things.

The agricultural classes are the victims of a system and once this fact has been established, it casts a duty on the State to restore their freedom—freedom to live, freedom to spend money, freedom to purchase goods and freedom to circulate money.

The State recently cancelled contracts between the landholders and tenants in the United Provinces. In 1930 Lord (then Sir Malcolm) Hailey remitted rents, in many cases by eight annas in the rupee. Again, for the second time in 1935, under the Rent Act contracts between landholders and tenants were scraped and arrears of rents were wiped out because they had become unpayable.

There is absolutely no reason why the State should not scrape contracts of money lent for non-productive wasteful purposes with the unholy motive of expropriating the borrower and which have now become unpayable. The agricultural debts were unpayable in 1928. The slump of 1930 halved the paying capacity of the agriculturists and doubled the burden of their debt. The present rise in prices of goods has further deteriorated their position. The agricultural classes had no share of responsibility for these economic upheavals. They cannot be accused of even contributory negligence. They are victims of circumstances beyond their control—system of law and economic upheaval. How can the state refuse to save them?

The Finance Member in his Budget speech observed that the rise in price of grain has lightened the burden of agricultural debts. It is hazardous to cross swords with an expert. Admitting that on paper the burden of debt has been reduced but unless the debtor is in a position to save more money to repay the debt or purchase more goods than he used to do, the mere rise in the price of grain is not a material advantage to him. His burden of debt would be lightened if the level of prices of commodities that he has to buy remained stationary, and the price of what he can sell rose higher. But this has not happened. The wages of agricultural labour, price of implements, wearing apparels, bullocks, carts and other essentials of his life and industry has risen proportionately higher than the price of grain. The Government has found it necessary to control the price of grain but not of other things. This has affected his economic position adversely. The position of a zamindar who is not primarily a farmer is even a good deal worse. In 1930 his income on account of remission dropped, in some cases by 50 per cent. but, Sir, so did the prices of his necessities of life. In 1935, the United Provinces Rent Act made the reduced rents, his main source of income, unalterable. Today his reduced income has to bear the burden of much higher cost of living. During the first depression execution of decrees against him were stayed. In the United Provinces payments of instalments under the Encumbered Estates Act, which will absorb

80 per cent. of his income are being enforced. Sir, the zamindars are facing much greater hardship than they did in 1930.

Sir, it is necessary in the interest of the country at large to restore the prosperity of agricultural classes. One thing is seldom remembered that the agriculturists apart from being producers of raw material for which he gets a nominal price is a member of a very important section of the consumers. If he is neglected or unfairly treated as generally he is, his adversity reacts on the prosperity of the rest of the country. This was amply demonstrated in 1930-31 by what happened in the U. S. A. and other countries. The debt of the farmers became unpayable, his purchasing power dwindled. Every other section of the community was in danger of being ruined. Mr. Roosevelt realised the gravity of the situation. He went dashing through the country in search of new ideas. He travelled in a rail car, halting on roadsides to meet and discuss the question with the people who had knowledge of rural conditions. A Brain Trust was set up to find a solution of the problem. The Brain Trust came to the conclusion that the main cause of the great disaster was the loss of purchasing power of the agricultural classes. If you remember, Sir, the depression was nicknamed, famine of plenty. There was superabundance of goods but no purchasers. The remedy that the Brain Trust suggested is known as the New Deal. What was the New Deal? The farmers debts were practically wiped out. Minimum price which was fairly high of their agricultural produce was fixed and the Government bought their produce and subsidised agricultural operations. India is developing her industries and unless she can develop the purchasing power of the rural section of her consumers, she is bound to suffer from the famine of plenty.

The question is the most vital one. Unless the prosperity of the landed class—both actual cultivator and zamindar—is restored, India cannot have prosperity.

The question is whether these Debt Acts are likely to control the situation? I can safely say they do not touch the fringe of the problem.

Some Provinces have a theory that distinction has to be made between large and small landholders. The evil credit system and the depression has in their opinion entitled small landholders to get some relief but not the bigger ones. The theory is pernicious from the point of the country at large. Industrial progress does not consist of manufacturing goods for consumers of humble class. There is a cry that India should manufacture goods for the use of both the rich and the poor. It is, therefore, necessary that the purchasing power of all sections of the community should be restored.

This theory is pernicious from the point of view of landed classes. If bigger landholders disappear today, smaller ones will go tomorrow. It is pernicious from the point of view of progress of agriculture. Exclusion of bigger landholders from the operation of Debt Act will result in passing quickly land into the hands of people who have no interest in land and depriving those who have.

I should like to point out—

(1) That a great war is going on and after the end of the war the chances are that there will be a slump again; and

(2) That India is developing her industries on stupendous scale. The industrial output is absorbed at present by the war. When the war comes to an end, industrial India will have to depend for its prosperity on home market. Therefore, Sir, in order to meet the contingency of another depression, effective measures should be adopted to restore and develop the purchasing power of the agriculturist,—the most numerous and the important section of consumers.

Lastly, Sir, I have to say a few words about the type of credit system to finance agriculture. A great deal of thought has been devoted recently to this question. Many eminent economists are of opinion that if the system of private money lending is allowed to finance agriculture, there can be no prosperity. That human ingenuity has failed to discover a legislative device for controlling the rapacity of a private money lender. He has succeeded in evading all of them.

A few years ago it was thought that the American system of registering and licensing money lenders had proved effective, but now it seems that in most of the Westernised agricultural countries, State credit agencies are being set up to finance agriculture, which is a strong circumstantial evidence of failure of registration system.

[Sirdar Nihal Singh.]

Most of the provinces have recently introduced the system of registration of money lenders but in this short period of three or four years it has been found to be ineffective. Restrictions are being easily evaded. For example, the Ugahi system in the United Provinces, which quickly reduces the debtor to the position of a serf has not abated. The borrower of an Ugahi is in reality a serf. He toils for his master who gathers the fruit of his labour.

Now as regards the Land Alienation Act, experience has shown that transferable rights in land have been the root cause of the trouble. Land has passed into the hands of people who have no natural or historical connections with the estates and are only interested in immediate exploitations of the property. They have no interest in agriculture. The only remedy for this evil is to make land non-transferable. Therefore the Resolution recommends that the Government of India should introduce Land Alienation Act for all the Provinces making agricultural land non-transferable either inter vivos or by order of the execution of liquidation Courts for past or future decrees under ordinary laws of the Debt Acts.

If under certain circumstances it becomes necessary to create a lien on agricultural land for the payment of instalments, the period of such instalments should not exceed 20 years.

As regards the method of dealing with the volume of debt we should approach His Excellency not only as the head of the Government but also as the greatest living authority on the subject to adopt means to solve the problem. The problem is vital and difficult and can be dealt with by some one who is in a position to survey the whole field and has intimate knowledge of the intricacies of the problem. Who can do it better than the Chairman of the Royal Commission ?

The Resolution suggests introduction of law of *damdupal*. This has already been done in some Provinces. In the Punjab and N.-W. F. P. it has been introduced in the form that payment towards interest should not exceed the principal. In other provinces the amount to be decreed is not to be in excess of the principal; past payments are not taken into consideration. I have shown elsewhere that the rule in this form is ineffective and therefore this House should introduce it the form that the total payment of interest past and future should not exceed the amount of principal. This should be done suitably by amending the Usurious Loans Act. *Damdupal* in this form has been introduced in the Punjab, N.-W. F. P. and for petty debts in Madras. There is no reason why it should not be made an all-India rule.

If agriculture has to be improved by the introduction of modern methods it will be necessary to finance it. It has been seen that this cannot be done by private credit agencies. Therefore the Government should take steps to establish State controlled Banks to advance long and short terms loans.

In conclusion I should like to point out that the situation of agricultural debt is serious and has to be dealt with immediately. Loans by zemindars for non-productive purposes were taken foolishly but they were given maliciously. Existence of legal machinery has encouraged this kind of lending. But for its existence unnecessary Loans would not have been given nor allowed to exceed the paying capacity of the debtor.

It might be said that the doctrine of sanctity of contract has its origin in Divine Law. But, Sir, doctrine of sanctity of contract was based on the assumption that the value of money remained constant. It did not contemplate the modern financial system in which value of money is artificial and remains changing.

The agriculturist has got into a mess and his prosperity and freedom is in danger. On his prosperity depends the prosperity of the country. Provincial Governments have passed certain Debt Acts. Sir, I have read them and I cannot help feeling that their authors did not apply their minds to find a *solution* of the problem or they found it so baffling that in desperation they abandoned it.

The burden of agricultural debt is many times the price of land. This problem has to be faced. It is for you to redeem the agriculturists from bondage and give agriculture a new lease of life in the economic life of the country.

THE HONOURABLE SIE A. P. PATRO (Nominated Non-Official) : Sir, we are very much indebted to the Mover of this Resolution for having brought the subject of agriculture into prominence and discussion in this House. I do not know what



attitude Government will adopt with regard to this Resolution, but it is clear that it is their primary duty to support the cultivating classes, the peasants, and not only the zamindars and proprietors for whom my Honourable friend—

**THE HONOURABLE THE PRESIDENT :** Is the Honourable Member not moving his amendment? He may move it now.

**THE HONOURABLE SIR A. P. PATRO :** Sir, I move :—

- (1) That to clause (a) the following be added :—“ to non-agriculturists ”.
- (2) That in clause (b) for the words “ without interest ” the following be substituted, namely :—“ with a minimum rate of interest advanced by the banks, namely, not exceeding two and a half per cent. ; ”

Originally, by part (1) of the amendment I wanted to add the words “ to non-agriculturists and also to prevent sub-division and fragmentation of holdings ”. I shall, with your permission, for the present omit the latter part of this, namely, “ and also to prevent sub-division and fragmentation of holdings ”. I wish to add only the words “ to non-agriculturists ” in clause (a), I do not want to add “ and also to prevent sub-division and fragmentation of holdings ” to that clause, because that is not within the scope of this Resolution.

Sir, as I said, it is very good that this Resolution has been brought forward. But the Honourable Mover should have seen that he is making a very drastic change. He wants the Central Government to legislate in order to effect uniformity of laws in the various provinces of the country to prevent alienation of agricultural lands. He wants to introduce legislation with a view to the absolute prohibition of alienation of agricultural lands. This is not at all consistent with the natural rights of property, because when there is property, the right of alienation is the necessary corollary to it. Therefore, it seems to me that this Resolution seeks to take away the natural right of the owners of property. From the speech of my Honourable friend I find that he is more obsessed with the difficulties of the zamindars and landlords than with the difficulties of the real agricultural classes—the tenants, the cultivators, the persons who are in actual occupation of the lands. We are more concerned with the interests of the masses than with the interests of the handful of zamindars and landholders who, for various reasons, have gone down in the social scale and have contracted debts which they are not able to repay and therefore must go to the wall. To my mind, it seems that his pleading mostly has been for this class. Agricultural classes are not, according to me, zamindars and landholders.

**THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA :** May I point out that the tillers of the soil are called zamindars?

**THE HONOURABLE SIR A. P. PATRO :** I will explain. You need not be impatient.

The term zamindar is applied in Northern India to every one owning even a few acres of land. A person who owns a small patch of land is called a zamindar—corresponding to the patadar in Bombay and Madras under the ryotwari system. Such a person in the United Provinces and the Punjab is called a zamindar. My Honourable friend is confusing between the two classes. We are accustomed to use the word zamindar in the language of the Government, namely, owner of part of a permanently settled area or part of an inam which has been enfranchised by the Government. The real interests which we have got to protect are those of the ryots, the cultivators, the interest of the actual person who bears the burden of cultivating the soil and producing crops. Take, for instance, the case of an agriculturist—a cultivator of land of ten acres. Unfortunately his family has been burdened with liabilities—debts due either to the chief ryot in the village or to the sahuukar or to the professional moneylender. Now, what is he to do? What has he got to do? He must discharge that debt. It may be that he has got his brother cultivator, a neighbouring patadar, a neighbouring cultivator, who is able to advance him money. It may be that he has another cousin or a brother who has got money enough to lend him and give him assistance. In that way he might like to alienate the land to his own family relations or to the persons who are interested in keeping that holding properly. If you prohibit such cases also, it will be a very great hardship on him. In addition to depriving the right of property in an individual you will also be depriving him of the practical benefit which would accrue to him. Thus the cultivator will suffer and the whole land will go away unless some

[Sir A. P. Patro.]

exception is made in the case of alienation to a neighbouring cultivator in the village itself or outside the village, or to his own relations who are able to advance him money and get him out of the indebtedness. There should be some margin in the case of the smaller agriculturist. There is a similar system prevailing in the New Colonies and in the Punjab where the cultivator is allowed to sell land only to another cultivator and not to a non-agriculturist. There is already an example which is working in some parts of the country very happily. It is therefore necessary that there should be some margin left to the cultivator for improving his position.

The second amendment of which I gave notice relates to the interest question. I do not think that it is ever intended that Government should borrow money and lend it without any interest to the cultivator. It may be an impracticable proposition. Government have to raise loans in the country and to pay interest on them. If you give free money to the agriculturist, you demoralise him. You do not place him under the necessary control to repay the money in proper time. Government advance money for land improvements, for improvements in irrigation and for the purpose of purchasing fertilisers, improving cattle and so on. All these are necessary for the cultivator. You have got the takkavi loans. You have got the Agricultural Improvements Act, by which Government are to help the ryot when he applies for loans. The ryots have recourse to takkavi loans, which are very useful. But the difficulty of getting a loan from the Government under the takkavi loan system is that it takes a number of months or weeks before he can get any money and by the time he gets it, it will be much less than what he applied for. When these loans are existing, there should be further facilities given by rules so that the loan may be given to the ryot in his own firqa or group of villages. The present system of advancing loans under these three enabling Acts is not at all sound and the working of these Acts has not been helpful to the ryot. Where Government loans are advanced, there should be some margin left in the legislation to be framed, if Government were to undertake it. It is necessary that he should have the freedom to pay up the money in certain instalments. You have got the Co-operative Land Mortgage Act. Under this Act loans are advanced to ryots under certain conditions, namely, that they will have to repay the loan in 30 yearly instalments or half-yearly instalments and they have to pay only 4½ per cent. interest. This is the co-operative system under which Government guarantees the payment of interest to the bond-holders. If a person invests money in the Land Mortgage Bank, the interest and principal are guaranteed by the Government. There is enough relief provided already by the co-operative system. By legislation we cannot at all improve the condition of the ryot. The problem, therefore, seems to me to have greater efficiency throughout the whole field of agricultural production and render the business of farming more profitable to the cultivator, and it is in this way only that we can help the ryot in improving his status. Secondly, as has been stated by the Agricultural Commission, we should educate the ryot, there should be popular understanding and appreciation, and we must create the desire to live better. That has been emphasised repeatedly in the Report of the Agricultural Commission. While this is the essence of the Report of the Agricultural Commission, little attention is paid to this aspect of the Report, namely, the education of the agriculturist. What is being done today? Lakhs of rupees are spent in founding new Universities and subsidising existing Universities. But what has been done with regard to agricultural education and improving the agricultural economics of the rural areas? Nothing has been done at all by the provinces or by the Central Government. I do not know how the Central Government will be able to deal with this subject as it is a provincial subject. But I suppose this debate will be forwarded to the Provincial Governments for the purpose of doing what they think best. At the same time it is necessary that the Central Government should take firm action in the matter, and not merely satisfy themselves with forwarding the discussion. Just as they have instituted scientific research and the Agricultural Institute, they must impress upon the Provincial Government the necessity of spending money for the purpose of agricultural improvement and education of the ryot. You cannot prohibit the right of alienation altogether in the interests of the ryot. Secondly

there should be some rate of interest provided with a view to create an interest in the ryot that he has to pay up regularly and if he does not do so, the burden will increase from day to day. The Resolution, though it serves a very good purpose, is not altogether practicable and therefore I suggest that these practical changes should be introduced in it. I am sure Government will take such steps as are necessary for the purpose of implementing the object of the Resolution and the amendments. It seems that this Resolution, as worded, is based on what is known as the Impartible Estates Land Act. There is such an Act. The intention of the Impartible Estates Land Act was that in the permanently settled zamindars there should be no alienation of the estate without the permission of the Government who had to be convinced of the legal necessity for such alienation. The recommendations of the Floud Commission in Bengal will show how they have fared in Bengal. Again, we have in Madras the Report of

I P. M.

the Congress Government, Mr. Prakasam's Report, and this Report will show how the permanently settled estates have been dealt with for the benefit of the country. It seems to me that the zamindars as such have not been doing their duty and discharging the responsibility that they owe to the people of the country. Again, tenants are also to blame, as I said, for want of education and for want of that co-operative spirit, and on account of these defects they have not been able to rise to the level of their responsibility. The reason is this. They were clamouring for occupancy rights. People on their behalf were clamouring for those rights. Various arguments were advanced and in compliance with those demands occupancy rights were given to them. Pleaders, medical men, clerks of pleaders and merchants, have come in the place of the cultivator and the occupier of land. You will find from the statistics of the Registration Department how many alienations have been made by the ryots. The object of giving them the right to cultivate efficiently and properly has been defeated. The charm of property is gone. The real unrest is not so much due to political causes as to the economic causes. These economic difficulties are made much of by agitators. Once they agitated and got occupancy rights. Now they say, wipe out the whole thing, the debts, liabilities and give him back the land free and he will be able to better himself. It seems to me to be a most disastrous idea and it cannot at all be accepted. Whatever the Central Government can do to impress upon Provincial Governments the necessity of improving the condition of the cultivator, as I said, will be done, and I am sure the Honourable Mover will be satisfied with that.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadian) : Sir, the object of the Honourable Mover in moving the Resolution is a noble one, but so far there has been no practical solution of the difficulties of the ryot. The Honourable Sir A. P. Patro has rightly observed that legislation so far effected has not helped the cultivator at all. I agree with him. We have to see the actual result of the measures so far taken. So far as the Punjab is concerned, in spite of the improved seeds and crops, land has gone down in price, because the buyers of the land have been limited by legislation. An agriculturist has been defined as one engaged in agriculture and not one who is engaged in tilling the soil. I will not go into all the details, but I will simply deal with the fact that legislative measures have failed to give the desired relief to the tillers of the soil. I know that unless some agency is formed to replace the old agency, no practical good can come out. The Governments by their legislative measures have wiped out the existing agency without providing a substitute. We have been hearing for years that the Provincial Governments, through the Reserve Bank are devising methods to finance the poor agriculturist. Banks, as they are constituted at present, naturally want some security against the loans. My idea is that the Government should engage some good money-lenders for whom the Government should arrange finance on their giving a suitable security. They should advance money to the agriculturist at their own risk with a certain rate of interest on the loans. The bigger the risk, the bigger should be the margin allowed. Sir Prabhaskar Pattani has solved this problem in Bhavnagar State. There the State has come forward to liquidate the loans of the zamindars by State financing. Has the British Government achieved even that much of success by its various statutes? In the United Provinces, when I was in Lucknow some time back, a talukadar saw me. One of his near relations was seriously ill. He could not

[Rai Bahadur Lala Ram Saran Das.]

raise money for his medical treatment. The Government of the United Provinces some time ago appointed a Committee to go into this question and recommended measures for an effective solution of rural indebtedness. I had the privilege of being one of its members. We made certain recommendations, but no practical result has been achieved. My suggestion now is that some practical and effective way should be found to replace the banking agency which has been wiped out by the Government without finding any substitute. Unless that is done academic discussions will be absolutely of no use. The net result of the measures that have been put on the Statute-book is that instead of the money-lender devouring the zamindar, the bigger zamindar is swallowing the smaller zamindar. Therefore, I disapprove of all this academic liposympathy. I wish the Government to establish some sort of agency without any further delay or at least follow the measures which obtain in Bhavnagar State, at the instance of Sir Prabhashankar Pattani. I do not want to dilate on the subject. I can simply say that at the present time zamindars are making plenty of money. Fortunately I am a zamindar as well as an industrialist and I can tell you that so far as the Punjab is concerned the price of kapas (cotton with seed) was about Rs. 8 a maund (82 lbs.) some time back though the price of the same stuff now is Rs. 22 a maund. The price of American cotton sown in the Punjab of L. S. S. quality, thanks to the efforts of the Punjab Agricultural Department for improved seeds, is now Rs. 62 a maund instead of Rs. 40. So I do not agree with the Honourable Sirdar Nihal Singh that the zamindars are not making money. They are making money these days but what the Government have to see now is that these zamindars who are minting money do not make use of these heavy profits in accelerating the extinction of the poor smaller land-holder, as at present the land can be alienated only to certain privileged tribes. Perhaps this Council will be surprised to know that a Nawab Sahib, whose income is several lakhs a year and who has never used a plough himself is classed as an agriculturist in the Punjab against those who plough themselves but are not members of the privileged agricultural tribes. I do not wish to enter into controversies—my health at present does not allow that—but I must say that as far as agricultural indebtedness is concerned the State must immediately come forward with some practical rural money-lending agency to solve the problem at least as efficiently as has been done by the Bhavnagar Darbar.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, I rise to give my general support to the intentions behind the Resolution which my Honourable friend Sirdar Nihal Singh has moved. The part which the British Government have played in the impoverishment of the zamindars is not one of which any Government can feel proud. The Government of India abolished dacoities, robberies, thugeeism, pindaris ; but they substituted instead of an illegal robbery a form of legalised robbery. There is no other word which can adequately describe the fleecing and bleeding which the money-lenders have performed in India under the aegis of the British law. The sanctity of contract was such a mountain in the way of any equity coming in that every time equity and morality had to give way to the sanctity of contract—the so-called sanctity of contract. In spite of the Usurious Loans Act the Courts of law in India gave decrees for money which no civilised Government in the world would give. Instances after instances have come and have been reported and commented upon by authorities as well as public men, Commissions and others, instances where debts had increased to 10, 15, 20, 30, 40 times of the original amount lent. Just before the first Great War a suit was instituted in my province for Rs. 3 crores, the capital amount advanced for which was only Rs. 20,000.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : This could have happened only in Bihar.

THE HONOURABLE MR. HOSSAIN IMAM : We had the unfortunate privilege of coming under the aegis of the British Government before the United Provinces and the Punjab had this misfortune ; so it was more entrenched there. Now, Sir, my own position is that you do not get a correct picture by looking at a certain deed when it is brought into the Court. Capital advanced might be, say, Rs. 20,000 and the decree passed against it is for Rs. 50,000 but if you go back and inquire into the matter you will find that the original loan was Rs. 2,000. After three years

the debtor was threatened with a suit and so was forced to change the original for a fresh note. After some time he had to write a third note and when it became still bigger the mahajan did not feel secure with a hand note so he got a mortgage deed in exchange.

**THE HONOURABLE THE PRESIDENT :** How can you prevent swindling by bankers ?

**THE HONOURABLE MR. HOSSAIN IMAM :** Sir, the bankers are not swindlers. They do not charge such rates and unless the rate of interest was very high Rs. 20,000 could not come to Rs. 3 crores. I am not an admirer of the Congress and have nothing much in common with them but I must say that they solved in two years what it had taken a century for the British Government and even then they had not solved—

**THE HONOURABLE THE PRESIDENT :** In some provinces the Congress did good work. They introduced the system of damdupat.

**THE HONOURABLE MR. HOSSAIN IMAM :** I am only drawing attention of the Government to the fact that in two years regime the Congress were able to do much more than this British Government, this nation of shopkeepers, was able to do in a hundred years.

**THE HONOURABLE THE PRESIDENT :** Why do you use adjectives ?

**THE HONOURABLE MR. HOSSAIN IMAM :** I do not think there is anything to be ashamed of in being called a nation of shopkeepers. I should rather be proud of it.

**AN HONOURABLE MEMBER :** Where is the necessity to use it ?

**THE HONOURABLE MR. HOSSAIN IMAM :** It was used by a much bigger man than you or myself.

**THE HONOURABLE SIR MAHOMED USMAN :** If the Congress Government have done such good work then why did the Honourable Member celebrate the Deliverance Day when the Congress resigned ?

**THE HONOURABLE MR. HOSSAIN IMAM :** I said that there is nothing common between them and myself but I must give even the devil his due.

**THE HONOURABLE SIR MAHOMED USMAN :** I think it lowers the dignity of the House that the Honourable Member should always go on abusing the British Government.

**THE HONOURABLE THE PRESIDENT :** I agree with you.

**THE HONOURABLE MR. HOSSAIN IMAM :** I do not wish to abuse the British Government but I am only saying that they have become habituated to remain in the rut. They cannot come out of it; they cannot imagine things. They do not look at the implications of the thing. My complaint against the British Government is that they are wedded to a system and have become a sort of automaton. They do not consider the human factors of it. I am a great admirer of the British constitution and I can say that whatever we have learnt we have learnt chiefly through the liberal system of thought, published by British authors. But my complaint is that the Government, when it is the case of India forget their precept

**THE HONOURABLE THE PRESIDENT :** The Honourable Member has very little time.

**THE HONOURABLE MR. HOSSAIN IMAM :** I am not at all taking more than is allotted to me—if you take out interjections.

**THE HONOURABLE THE PRESIDENT :** I will not do that.

**THE HONOURABLE MR. HOSSAIN IMAM :** My point is, that no effort should be spared to achieve the desired result, which is that every contract must be subject to the condition which we have found prevailing in Europe and America. Nations—high contracting parties—shamelessly repudiated their debts. No one feels ashamed of it. Even the Government of India has already, in effect, repudiated a part of the debt—although a small part—which they owed to His Majesty's Government. The Government of India was not ashamed of it.

**THE HONOURABLE SIR A. P. PATRO :** Why bring in all those questions ?

**THE HONOURABLE MR. HOSSAIN IMAM :** I am saying that there is nothing to be ashamed of in the repudiation of debts. Big nations have done it. England has done it ? France has done it ; India has done it. Everybody has done it. If they can repudiate their debts, what harm is there, what immorality is there, if a

[Mr. Hossain Imam.]

method is found by which the debt can be redeemed—I will not say repudiated? I simply wish that a contract which was on the face of it wrong should not be held up as a contract and enforced. Even if there are difficulties in the way, if the Government of India Act comes into the picture and debars Government, there are instances in which the Government of India have taken up legislation by consent of the provinces. If there is a will to have an Act, you can have it. Ask the Local Governments. And do not forget that seven of these are at the moment really part and parcel of the Head of the Government of India. The Head of the Government of India is the authority and the power who can dictate to the Provincial Governments by the exigencies of the use of section 93. So, I suggest that these excuses should not be trotted out. There should be a will to do it. If the Government is convinced that there is equity and justice in this demand, the rules and regulations should not be allowed to stand in the way of the establishment of a rule of justice and equity. I appeal to the Government to come to the rescue of the zamindars and landholders and do whatever they possibly can to alleviate their condition.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General): Sir, I welcome the salutary measure brought forward by my Honourable friend Sirdar Nihal Singh. Nobody can question the necessity of measures for removing the indebtedness of the agriculturists. My only difficulty is how we or the Central Government can influence or bring pressure to bear on the Provincial Governments to introduce legislation on the lines suggested in the Resolution.

We all know that provincial autonomy has been granted to provinces. If the Central Government were to force the Provincial Governments to introduce legislation of this nature, I think that would amount to making an inroad into provincial autonomy. So far as my province, the Central Provinces is concerned, I will tell you in a few minutes the history of the legislation that has been passed during the last seven years. The Provincial Legislature passed a Debt Conciliation Act before the entry of the Congress Government. Under that measure, the debt was liquidated through the intervention of the Court by agreement between the two parties. I do not want to take up the time of the House by narrating all the provisions of the Act; I will only take the principle of the Act. After that, the Debt Relief Act was passed by the Provincial Legislature under the Congress ministry. Under that Act the limit of debt to be liquidated was fixed at a certain sum—I believe Rs. 25,000. Attempts were made to influence the Provincial Government to raise that limit to Rs. 1 or Rs. 2 lakhs, but those attempts were frustrated. I may inform the House, Sir, that when these two Acts were passed and were in operation, the debt of the agriculturist was reduced by 30 or 40 per cent. The Acts have worked well. (*An Honourable Member*: What year?) During the last five years.

The amendment that has been brought before the House by my Honourable friend Sir. A. P. Patro is a very sensible and reasonable amendment. But I must tell the House that this sort of amendment was obstructed, was resisted, by the Provincial Government, by the members of the Congress Party in the Provincial Assembly; and they passed an Act, called the Central Provinces Tenancy Act, under which the occupant tenants are now entitled to sell their land to non-agriculturists. We, the malguzars of the place, waited in deputation on the Governor to request him that he should not give his assent to the Act. The Act was passed by majority in the Legislature under the Congress. As the Congress Ministry had gone out, we waited on the Governor and requested him that he should not consent to the promulgation of the Act. Unfortunately, although he did not consent to it, the Government of India did. And now, what do we see? I shall tell you my own experience. Before the Act was passed, I had seen tenants holding lands for three generations, and now those lands, under the present Central Provinces Tenancy Amendment Act, have gone into the hands of pleaders, into the hands of businessmen, into the hands of money-lenders,—people who actually are not cultivators of land.

I share perfectly and fully the views of my Honourable friend Sir A. P. Patro. But the position is this, that you have to break your head against a stone wall. You will be accused that you are interested in it and therefore you are opposing it. In fact, we were all accused. Under the old Tenancy Act in the Central Provinces, malguzars—our rights as malguzars are smaller than those of zamindars—malguzars

could not sell their lands to a money-lender without the sanction of the Court. Under the present Act that restriction has been removed. We objected to the removal of the restriction, saying that the poor malguzars should not be allowed to sell their land to money-lenders or to any other person without the intervention of the Court. But that provision, as I said, has now been removed.

I think personally, however much I may disagree with the Congress—and I have been disagreeing with the Congress for the last 22 years—however much I may disagree with them, I think this House cannot force Provincial Governments to make certain laws according to our own will. What we can do is to forward the debate in this House to the Provincial Governments and ask them to frame a uniform law. I think it is rather difficult to have uniform laws in all the provinces. Conditions differ, and differ much, in various provinces. But if an attempt is made, I shall welcome it and we would all welcome that the indebtedness of the agriculturist should be reduced.

#### STANDING COMMITTEE FOR ROADS, 1943-44.

THE HONOURABLE THE PRESIDENT: I think this will be a convenient time to adjourn the House, but before I do so, I will give the result of the elections.

With reference to the announcement made by me on the 11th March, 1943 regarding nomination to the two Committees, I have to announce that the following Honourable Members have been nominated for election to the Standing Committee for Roads:—

1. The Honourable Mr. Chidambaram Chettiyar.
2. The Honourable Mr. N. K. Das.
3. The Honourable Mr. R. H. Parker.

There are three candidates for three seats and I declare them duly elected.

#### CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

The following Honourable Members have been nominated for election to the Central Advisory Council for Railways:—

1. The Honourable Haji Syed Muhammad Husain.
2. The Honourable Sirdar Nihal Singh.
3. The Honourable Sardar Bahadur Sobha Singh.
4. The Honourable Sir David Devadoss.
5. The Honourable Mr. Abdool Razak Hajee Abdool Suttar.
6. The Honourable Rai Bahadur Satyendra Kumar Das.
7. The Honourable Mr. N. K. Das.
8. The Honourable Kumar Nripendra Narayan Sinha.

There are eight candidates for six seats and an election will be necessary. The election will take place on the 26th March, in the usual way.

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

The Council re-assembled after Lunch at Three of the Clock, the Honourable the Chairman (the Honourable Sir David Devadoss in the Chair).

THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS): Discussion on the Resolution will now proceed.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern: Non-Muhammadan): Mr. President, my Honourable friend Sirdar Nihal Singh has introduced a Resolution which deals with some of the most important problems that the public men of this country can ever be called upon to consider. Every question to which he has drawn attention has a vital bearing on the welfare of the agriculturists. It is unfortunate, however, that the questions which he has raised are not within the competence of the Central Government. The question of the transfer, alienation and devolution of agricultural land and also the question of land improvement and agricultural loans are provincial subjects. I do not think that any of these items is included in the Concurrent Legislative List. These matters are exclusively within the jurisdiction of the provinces. All that we can do therefore is to draw the attention of the Provincial Governments to the importance and urgency of the problems which my Honourable friend Sirdar Nihal Singh has discussed and suggest to them that it is desirable in the best interests of the people that action in regard to them should be taken at an early date.

[ Pandit Hirday Nath Kunzru. ]

Sir, as I have already said I recognise fully the necessity of the matters referred to in the Resolution being dealt with adequately at an early date. But I am afraid I am unable to give my full support to the Resolution as it is framed and to all the observations which fell from the Honourable Mover. To illustrate my point of view I shall refer to the first part of the Resolution which asks that the alienation of agricultural lands should be completely prevented. The Punjab has been dealing with the question of alienation for a longer time than perhaps any Provincial Government and has gone further in preventing it than any province. But even there the transfer of land from one man to another is not completely prohibited. What takes place there is that land cannot be transferred by an agriculturist to a non-agriculturist. But my Honourable friend Sirdar Nihal Singh wishes to go much further and wants to ensure that the land which is in the possession of any agriculturist or landlord now should remain permanently with him. In other words, he desires that every bit of land owned by anybody of this kind should be treated as an impartible estate. This seems to me to be wholly impracticable. We can justifiably ask Government to take steps to see that the agriculturists are not compelled by the unscrupulous tactics of money-lenders and other people who are prepared to take advantage of their ignorance to part with their property. It is desirable indeed that adequate measures should be taken to provide agriculturists with cheap credit under adequate safeguards. But I do not think we can go so far as to say that all transactions in land should be completely prohibited. If we are to prevent any particular propertied class from parting with what it has, how can we logically resist a similar demand on the part of business men? Men engaged in business may desire that their businesses should not be transferred to people who have taken no part in industrial or commercial activities but such protection will defeat its own purpose. We cannot save people completely from the consequences of their imprudence and, Sir, I have said enough to show that in one important respect at least I do not wholly agree with my Honourable friend. Keenly desirous as I am to improve the position of the agriculturist the precise measure suggested by him does not meet with my approval.

Then, Sir, there is the question of rural credit which part (b) of the Resolution raises. This too, as I have already said, is a subject which is intimately connected with the future welfare of our agriculturists but we have to consider two problems in this connection. We have first to deal with the problem of existing indebtedness and then to see that all the proper agencies are established for advancing loans. We shall in this connection have to devise adequate safeguards in order to prevent people who have recourse to the credit agencies, established or aided or encouraged by Government, from going to other agencies at the same time and thus nullifying the ameliorative measures adopted by Government. The Report of the Reserve Bank of India on the question of agricultural credit is an important document and I think ought to be studied with care by all those who wish to be in a position to deal with this fundamental matter with knowledge and with some chance of arriving at correct conclusions. Let me, however, state at the same time that the point of view adopted by the Reserve Bank in its report seems to me to be entirely that of a banker. While the Reserve Bank has analysed the situation carefully in its Report and has made some suggestions of far-reaching importance it has not shown what part it can play in the establishment of a sound rural credit agency all over the country. To think that such an agency can be established without the support of Government is to indulge in an idle fancy and if Government are to take a hand in the matter, as they must, I cannot see how they can do so except through the agency of the Reserve Bank of India. I think, therefore, that the matter requires further consideration at the hands of Government and the Reserve Bank. But at the same time I do not agree with the proposal that loans should be advanced free of interest. This suggestion too is impracticable.

Now, Sir, I have dealt only with one of the two questions that I raised. There still remains the question of existing indebtedness to be dealt with. I am completely in favour of the scaling down of debts which was the duty entrusted to Conciliation Boards by the Provincial Governments, but I shall make a distinction in this respect between large land owners and small agriculturists. At the present time, when prices have risen considerably we ask for dearness allowances for low-



paid men, but if any measure were proposed here for the grant of dearness allowances to highly paid servants of Government I am sure the non-officials would be united in opposing it. On the same principle, while I am prepared to do all that is, humanly speaking, possible, without completely bringing down the superstructure of credit and demoralising the agriculturist, to help him, I cannot go so far as to agree to the complete cancellation of all debts, or to treat all classes of agricultural debtors on the same footing. The people who are educated and who are possessed of large resources do not stand in the same need of protection that poor and ignorant cultivators do. If any way could be found of helping even the larger agriculturists I would not be averse to it. I should indeed be completely in favour of taking steps which would enable people who are prepared to change their way of life to rehabilitate themselves but the precise suggestions made by my Honourable friend, which seemed to me to be more in the interests of the large landowners than of the smaller agriculturists, I do not think are such as can be generally approved. His Resolution as he has moved it will hardly be of any benefit to the cultivator. Apart from this, Sir, if the agriculturist is freed from his present difficulties some steps must be taken to prevent him from getting into debt again. No means of doing this have been found as yet. In the State of Bhavnagar, to which my Honourable friend Lala Ram Saran Das referred, the problem of indebtedness has been tackled by the State. I do not know what were exactly the steps taken by the State to prevent future indebtedness when it freed agriculturists from the existing burden of debt. But this is a matter to which the Reserve Bank has referred in its Report. I personally think that unless you have an adequate number of mortgage banks with large resources it will be impossible to tackle this question. There are mortgage banks at present in some parts of the country—for instance, Madras and Bombay. I do not know how they have fared in Madras—.

THE HONOURABLE SIR A. P. PATRO : They are doing very well.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU— but I know something about Bombay. The people who are connected with them are enthusiastic and sincerely desirous of helping the agriculturist. But they have hardly been able to touch even the fringe of the question. They can advance money to agriculturists only under certain conditions. They must have adequate safeguards for the money they lend. And what is the safeguard that an agriculturist can provide except his land? Even if the State lends money to the agriculturists, it cannot divest itself of the power of taking possession of agricultural land when their debtors are unable to repay the loans advanced to them by Government.

As regards the last point of the Resolution—the enforcement of the law of Damdupat—I am happy to be able to say that I am in entire agreement with my Honourable friend the Mover of the Resolution. He knows what is the legislation that has been passed on the subject in the different provinces and how far it has worked well. In my opinion, the lacuna that he has pointed out ought to be removed.

But, Sir, I should like to say, before I sit down, that the Honourable the Mover has dealt with the problem raised by his Resolution in such a way as to show that it can be solved completely if Government takes steps either to prevent the transfer of land or to provide cheap credit. But the problem, it seems to me, is much larger than that; the problem is one of the solvency of the agriculturist. The individual holdings must be of such a character as to suffice for the support of the families dependent on it, and the agriculturist must be in a position to apply the means which science has placed at his disposal for the better cultivation of his land. I cannot, Sir, put this matter better than in the words of the Reserve Bank of India which I should like to bring to the notice of this House before I sit down. It says :

“ But even wider action will have to be taken by Government if real progress is to be made. It is essential to emphasise that the economic problem of agricultural India is only to a minor extent one of credit facilities. . . . Nobody can be regarded as credit-worthy unless he has a reasonable margin in his standard of living and unless he has the practical desire to improve his economic condition. This means that the earning capacity and the purchasing power of the farmer must be increased. This is largely a matter of physical and mental condition so that if any economic improvement is to be effective or lasting it must be accompanied, and in many cases preceded, by improvements in such matters as village sanitation and hygiene, the provision of

[Pandit Hirday Nath Kunzru.]

ampler medical facilities, the construction of roads, wells and irrigation works, the spread of education on practical lines, and similar reforms too numerous to mention".

I wholeheartedly commend these observations to the members of this House and request them to bear in mind that the problem of rural welfare is larger, immensely larger, than the questions raised by my Honourable friend Sirdar Nihal Singh in his Resolution. It is to these wider problems that I would invite the attention of Government with all the emphasis that I can command. If the Central Government is prepared to do its duty in this connection, I have no doubt that valuable results will be achieved. I hold that the Government of India must be prepared to shoulder their burdens in this matter, because the questions to which the Reserve Bank has referred cannot be dealt with by the Provincial Governments with their present resources. Unless the Government of India are prepared to come to their help with adequate grants-in-aid, with grants-in-aid in a generous measure, the question of rural welfare which is dear to the heart of every one of us will never be solved. Nowhere has any Provincial Government been able to deal with these questions even in an inadequate way without ample support from the higher authorities.

**THE HONOURABLE SIR JOGENDRA SINGH** (Education, Health and Lands Member): Sir, the debate has been interesting in many ways. There is hardly any speaker who has taken part in the debate who has not emphasised the need of doing something to relieve agricultural indebtedness. The Honourable Sir A. P. Patro seemed apprehensive that relief may not reach those who deserve it most. He himself by his own speech has revealed that large landowners are more anxious to assist their less fortunate neighbours than their own class. I can feel confident that the class which he represents has provided foundations of stability in the past and will continue to do so in future. As long as we have men like the Mover of the Resolution and Sir A. P. Patro himself, I feel our class will continue to play a worthy part in the making of new India.

I will deal with the other points raised by the Honourable Mover as I deal with the main Resolution. I can say that economics—and I agree with him—have greater effect on the minds of the masses than politics.

I cannot pass without offering a word of welcome to my friend Lala Ram Saran Das. We were colleagues together when this Council was established, and we are happy to be together again. I am glad I agree with him that one of the main remedies to be found to help the agriculturists is to modernise agricultural credit.

The Honourable Mr. Hossain Imam cited a case in which a principal sum of Rs. 20,000 swelled into Rs. 3 crores, and the Honourable Mr. Kalikar dwelt on debt relief legislation in his own province. I note the difficulties they have brought forward. The Honourable Pandit Hirday Nath Kunzru has spoken with his usual earnestness and clarity of vision. He has rightly pointed out that the problem is to deal with the existing situation and to take proper measures to provide for the future. It is true, as he has said, that the subject under discussion is purely provincial and outside the scope of the Central Legislature unless it is empowered by means of a specific Resolution of one or more Provincial Legislatures to enact legislation for all the provinces so desiring. The Government of India, however, realise that India's prosperity as a whole depends to a considerable extent on the economic welfare of her largest population which depends on land. It is undeniable that landed classes are labouring under a heavy load of debt. This debt must be liquidated if a new start is to be given to agricultural industry.

In 1930, the Banking Enquiry Committee estimated this debt at Rs. 900 crores. It was also observed by that Committee that this debt was steadily growing; in fact, in the Punjab alone it was found to have increased from Rs. 90 crores to Rs. 135 crores in 1939. I have no evidence that the debt has ceased to grow.

In the United Provinces, according to the Honourable Sirdar Nihal Singh, interest has been accumulating, the rental value of land has been reduced by Government and can hardly meet the interest demand. I have had it worked out that taking Rs. 100 as principal in 1928, when execution of decrees was stayed in some major provinces, calculating at an average rate of 10 per cent. interest with six-monthly results up to 1934 when debt legislation was enacted and allowing 3½ per cent. simple interest on the proceeds up to the end of 1943, the amount due has grown from Rs. 100 into Rs. 232. It means that the burden of debt has more than doubled then. The

Honourable Sirdar Nihal Singh has rendered a real service to agriculture in drawing pointed attention to the seriousness of the situation.

The problem of indebtedness has been to the fore in all times. In the Middle Ages direct payments as interest were condemned as sinful. The law of Moses prohibited usury. Solon in Athens legislated to liquidate agricultural debt. Rome in 342 B. C. promulgated a law prohibiting taking of any payment for loans. Plato and Aristotle condemned usury in the hope of striking at the very root of profit economy. The laws of Islam are against charging any interest on loans. The Hindu lawgivers place a definite limit that interest in no case should exceed the amount of the principal sum lent.

The dawn of economic liberalism emphasised freedom of money trade. The Honourable Sirdar Nihal Singh in his lucid speech has shown how under the British laws, relations between the *sahukar* and his clients have changed and created a situation which is still calling for effective measures.

The ethical concept of usury affords no clue to a definite criterion as to what constitutes a usurious transaction. It is for the Legislature to determine what constitutes an act of usury. All Governments, including that of England, have been endeavouring to prevent abuse of economic transaction. The Government of India have been aware of its responsibility. It passed the Deccan Agriculturist Relief Act in 1879, the Punjab Alienation of Land Act in 1901 and the Usurious Loans Act in 1918. The latter Act failed to give any relief in the absence of precise definition of a usurious rate.

The slump in prices which overwhelmed the country from the beginning of 1928-29 onward increased the real burden of the debt in direct relation to the fall in prices of agricultural produce. It reduced the ability of a debtor to pay to the vanishing point, resulting in forced sales of land. It created a situation which could not be ignored by the Central as well as by the Provincial Governments. The Report of the Banking Enquiry Committee and that of the Royal Commission on Agriculture brought the problem to the focal point.

I have placed in the lobby of the House a chart showing in close contrast the various Provincial Debt Acts and the great variety of remedies which have been devised. The Honourable Sirdar Nihal Singh's complaint that provincial legislation is not of a uniform character is not without justification. While some provinces like the North-West Frontier Province and Madras have given direct relief by writing off interest up to a certain date, in his own province, he rightly observes, the effect of debt legislation has been accumulation of interest. I am afraid I cannot deny the truth of his statement.

It is true that conditions to some extent differ from province to province, but problems relating to rural indebtedness generally are the same. Therefore, there is urgent need to define broad principles for the guidance of the provinces.

The question whether an agriculturist should or should not be permitted to alienate his land is one for which no easy solution can be found, and yet the need of liquidating long-standing debts and preventing the emergence of landless peasantry cannot be lightly passed over. The problem therefore needs examination in its two-fold aspect. It seems equitable that long standing debts which are frozen should be liquidated on the basis of the available income of a debtor without permitting any alienation of land and that for the future both the long term and short term credit should be organised.

As the Honourable Pandit Hirday Nath Kunzru quoted from the Report of the Reserve Bank. In some European countries long term credit is recoverable in 50 to 70 years at about 4 per cent. interest per annum. This payment provides for the amortization of the debt. The Banks issue bonds at the same rate of interest and for the period as the mortgage and make a small fixed charge of  $\frac{1}{2}$  per cent. to cover the cost of management. The valuation of the land by the local inspectorate does not ordinarily take more than 10 or 15 days and the amount of the loan does not exceed half the value of the land. These banks get regular aid from the State, their activities are supervised by a State Commissioner. Such a system is reported to be in existence in Denmark, Holland and Russia, Germany, France and Austria. There is no reason why the problem of long term loans on security of land and short term loans on security of crops should not be examined in the interests of rehabilitation of our rural population.

[Sir Jogendra Singh.]

The demand for uniformity of the law of Damdupat in all the provinces, to which the Honourable Pandit Hirday Nath Kunzru has lent his support, is not without force. Most of the Provincial Governments have already amended the Usurious Loans Act of 1918 by the enunciation of the interest rates which may be deemed usurious for the guidance of the Courts of Law. But different provinces have prescribed different rates for secured and unsecured loans. For instance, Madras has prescribed 5 per cent. both for secured and unsecured loans, while Bombay has prescribed 9 per cent. for loans taken after the 1st January, 1939, and 6 per cent. for loans taken prior to that date. In the Central Provinces a rate of 6 per cent. is prescribed for debts certified by Conciliation Boards, while it is 12 per cent. for secured debts and 18 per cent. for unsecured debts. Now it is quite reasonable to question whether it is possible for any agriculturist to pay interest at the rate of 12 or 18 per cent. The law of Damdupat can meet in a broader way this demand for uniformity if all provinces enact that total payment of interest, past and future, should not exceed the principal and when the amount of the original principal and its equal amount in interest have been paid, the debt shall stand discharged.

As I said before, the matter is primarily the concern of the provinces. All I can do is to forward the debate to the Provincial Governments and invite their comments and to examine the position in centrally administered areas. I am sure Honourable Members know that problems of post-war reconstruction are much to the fore. I agree with Pandit Hirday Nath Kunzru that it is not only the problem of indebtedness but the whole problem of rural well-being that needs examination and support from the centre. Reconstruction has many aspects, but its main purpose can be summed up in one word—to build up national income and to provide for expansion, viz., production and consumption. This end can only be served if our vast village population is given an increased purchasing power and if production and consumption are sufficiently large and sufficiently regular to meet the increased demand. The reconstruction will depend on a new economic policy for the future on the ways and means, scales and methods.

Planning in this new way means precisely the opposite of past policy. It means expansion and not restriction; it means agriculture and industry throbbing with the pulse of a new life. It does not mean preparing plans to be consigned to the faithful custody of files.

I consider it a great privilege to be associated with the planning for the future. Government must plan boldly for Agriculture, Health and Education. It will be my endeavour with the co-operation and confidence of the House and active co-operation of the provinces to formulate a progressive agricultural policy. I need hardly say when planning for rural reconstruction we cannot leave out problems of rural indebtedness and organisation of agricultural credits. The debate invites the diagnosis of the disease and its cure. I am sure with the co-operation of Provincial Governments effective measures will be devised and undertaken to rehabilitate our rural population. In view of what I have said, I hope the Honourable Member will not press his Resolution to the vote.

**THE HONOURABLE SIRDAR NIHAL SINGH:** Sir, I am very grateful to the House and the Honourable the Education Member for the kind response to my Resolution. I think the object will be served if the debate is forwarded to Provincial Governments and their attention is drawn to it. We can consider the facts and figures later on. After this assurance and the support which Honourable Members have given, I am prepared to withdraw the Resolution.

**THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS):** As the Resolution is being withdrawn, the amendment also automatically goes.

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

#### RECIPROCITY BILL.

**THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS):** Mr. Sapru.

**THE HONOURABLE MR. V. V. KALIKAR:** May I request you to take my Bill first, Sir? It will be finished within five minutes.

**THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS):** If the House has no objection it can be done.

**THE HONOURABLE SIR MAHOMED USMAN (Leader of the House):** No objection, Sir.

**THE HONOURABLE MR. G. S. BOZMAN :** I have no objection, Sir.

**THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) :** Sir, I move :—

“That the Bill to make provisions on a basis of reciprocity in regard to entry into, travel, residence, the acquisition, holding or disposal of property, the enjoyment of educational facilities, the holding of public office, or the carrying on of any occupation, trade, business or profession in British India by, and the franchise in British India of, persons domiciled in British Possessions, as passed by the Legislative Assembly, be taken into consideration.”

The principle of the Bill is fully embodied in the Statement of Objects and Reasons. This is the only matter where I find the official and non-official Benches are in agreement always. I therefore congratulate, Sir, the Department of Overseas for allowing this Bill to be passed in the other House. We know that the treatment that is given to Indians overseas is resented by us very much and we have given vent to our feelings by way of Resolutions in this House and we have in various debates expressed our feelings over the bitter treatment that is accorded to our nationals overseas. This Bill was introduced in the year 1941. It was amended on certain points in the Select Committee and it was passed by the other House with the consent of the Government.

Sir, I have nothing further to say except that the Bill as it stands be taken into consideration.

**THE HONOURABLE MR. G. S. BOZMAN (Indians Overseas Secretary) :** Sir, Government's attitude towards this Bill has been made clear on more than one occasion and I do not wish to take the time of the House by repeating what they already know. Government accept the Bill as it now stands. Only one comment I wish to make, Sir. It has been brought to my notice that certain remarks of mine with regard to this Bill in another place have aroused certain misunderstanding and I think I should take this opportunity of explaining very briefly what I had intended or attempt to say elsewhere. The Bill gives the Government power to do certain things at the Government's discretion. That power, it is intended, should be used in accordance with the well recognised and established principle of reciprocity which finds a place in the Government of India Act, in the Government of Burma Act, and possibly other Acts as well. Now all that I was concerned to point out and would like to point out again is that reciprocity is a somewhat wider term than retaliation. Reciprocity as I understand it connotes both goodwill and the reverse. Retaliation implies only the reverse. I submit, Sir, that Government must operate this Act in accordance with the wider significance of the term “reciprocity” and I submit also, Sir, that it is Government's duty, before confining reciprocity to its narrow interpretation of retaliation, to ensure that no other means of solving the problem can be found. Still more I would suggest that it is Government's duty to ensure that, before they take up weapons, those weapons will not break in their hands or possibly even turn to the disadvantage of those whom it is intended to assist. That, Sir, I hope will explain what it was I was trying to say on the Bill in another place. Sir, Government accept the Bill.

The Motion was adopted.

Clauses 2, 3 and 4 were added to the Bill.

Clauses 5 and 6 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

**THE HONOURABLE MR. V. V. KALIKAR :** Sir, I move :—

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

Sir, I welcome the speech of my Honourable friend Mr. Bozman, and I can assure him that neither the Mover of this Bill in the other House nor I myself intend this Bill as a retaliatory measure. It is a reciprocity measure. We do not want in any way to offend the people of other Dominions in such a way that our cause will be hurt. We really do desire that the method we desire to adopt under this Bill should be such that our cause would not be injured in any way. I therefore, Sir, give him an assurance that it was not the intention of the Mover in the other House nor my intention that it, Sir, should be a retaliatory measure.

With these words, Sir, I submit that the Bill, as passed by the Legislative Assembly, be passed.

The Motion was adopted.

## RESOLUTION RE LABOUR CONDITIONS ON TEA ESTATES IN ASSAM.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Mr. Chairman, the Resolution which I desire to move reads as follows :—

“ This Council recommends to the Governor General in Council to appoint a mixed committee of officials and non-officials, with adequate representation of labour therein to investigate the conditions of work and living, rates of wages and methods of recruitment, of workers in the Assam tea gardens.”

Sir, it is well known that imperialism and plantations go together. In practically every imperialist plantation conditions of labour are generally bad.

Now, Sir, I shall refer to a document which has been published with the authority of the Assam Government,—Annual Report on the working of Tea District Immigrant Labour Act (XXII of 1932), for the year ending the 30th of September, 1941,—and I will summarise what I could gather from this Report. First of all, so far as the industry itself is concerned it strikes me that it is in a more flourishing condition than it has been for many years past. I mean it has a monopoly in regard to tea which it did not possess. You cannot get any tea from Java and Assam plantations have benefited by the misfortunes of countries in the East.

Now, Sir, if you take the Assam Valley Tea Estates—which are divided into three valleys—the average cash monthly earnings of a labourer during the year were Rs. 8-2-1 per man, Rs. 6-8-4 per woman, and Rs. 4-10-1 per child as compared with Rs. 7-14-1, Rs. 6-3-8, and Rs. 4-7-9 in the previous year. Now, Sir, in comparison with the previous year the increase in the wages had only been three annas to four annas in each case. The conditions in the Surma Valley appear to have been even worse. The monthly rates in that valley appear to have been Rs. 5-8-10 for each man, Rs. 4-12-4 per woman and Rs. 3-3-5 per child as compared with Rs. 4-2-8, Rs. 3-7-3, and Rs. 2-6-5 in the preceding year. Actually, it appears that monthly wages in the case of men have gone down by twelve annas from the previous level.

Now, Sir, there is free housing but because there is difficulty in getting material and all that sort of thing the process of building newer and better types of houses for the workers has been slowed down. I find, Sir, that there has been a rise in the cost of living during the year. Exactly what the cost of living in that area was during the year is not given in the Report; but what I find is the statement that there was a rise in the cost of living during the year. We know that the cost of living has been very high all over the country. It has gone up by about three times. To meet this rise in the cost of living, certain concessions have been given by the planters. These concessions have only vaguely been described. It appears that in some estates an effort is made to sell grain at rates below the prevailing price to the labouring classes, making more work available to the labour forces particularly in those areas where a labour force has fewer opportunities of supplementing its earnings by rice cultivation. An effort is also made to grant a cloth allowance to regular workers in many gardens in the Surma Valley at the rate of Rs. 3 to men, Rs. 2-4-0 to women and Rs. 1-8-0 to children. These sums will not enable them to purchase, these days, a *dhoti*, let alone any other piece of cloth.

Well, Sir, the total number of children living on tea gardens in Assam during the year appears to have been 587,401. For this number there were in all 547 tea garden schools with 21,646 pupils on the rolls, against 505 schools and 25,000 pupils in the previous year. Of these schools, 10 were A class schools, 71 were B class schools and 456 were C class schools. Actually, you will see from the figures that I have given that the number of pupils receiving education has fallen. The number of schools may have increased, but the number of pupils receiving education has fallen, and not more than 4 per cent. of the total number of children are receiving education in these schools.

Now, Sir, I was contrasting the conditions that obtain in Assam with those which obtain in Ceylon. In Ceylon an enquiry was made into the family budgets of some 500 selected Indian estate labourers. Like the Assam Report, the Ceylon Report is also an official Report, and the author of it is a man called Mr. Raja Naicker, Deputy Controller of Labour. I find from this Report that a statutory minimum wage is fixed there by the Ceylon Wages Board, in which, according to the latest Ordinance, there is equal representation of employers and workers. There is provision for district wages committees, minimum wages, intervals for payments, and holidays. The normal family earnings per month in the Ceylon estates appear to be Rs. 31-7;

Rs. 35·36, and Rs. 25·28. These earnings find themselves supplemented by a number of monetary and other concessions—war bonus, wedding contract, head money, cash plucking; cheap rice, free meals, sick pensions, maternity benefits, free milk, and foodstuffs grown on land assigned to worker's benefit, and so on. In terms of money, these concessions add another Rs. 5 or Rs. 8 to the monthly income. There is free housing and free firewood, and they add to the monthly income of the family another rupee and 40 cents.

As I have already said, the tea industry is in a flourishing state, and there is evidence that the tea planters are getting more and more prosperous; they are now more prosperous than they ever were before. The workers, however, have not shared in this prosperity, which is reserved for the white man. The Royal Commission on Labour—I think it was one of the most useful commissions which ever came out to this country, and I owe it to that Commission to say that it did write a monumental report—the Royal Commission on Labour reported in 1931. It found the conditions of recruitment rather very bad. As a matter of fact, we know that in these plantations recruitment started on the indenture system, which was no better than the Nineteenth Century version of slavery. Since then conditions of recruitment have certainly improved; several improvements have been effected in those conditions, but most of the recommendations which the Whistler Commission made remain to be implemented to this day. For example, the Royal Commission *did not*, as is evident from what they said on page 378, *approve of the isolation of workers from outside influence*. You get these poor men and send them to tea plantations. You need some one to teach them how to organise themselves from exploitation at the hands of people who have no sympathy with them. This is what the Royal Commission said:—

“It is in the Assam Valley that the right of access is most needed—”  
They were dealing with all the valleys.

“— and we recommend that steps should be taken to secure public contact with workers, dwellings on all plantations”.

I should like to know, Sir, whether the right of forming Trade Unions has been conceded to these people, whether any facilities have been afforded to them for forming themselves into Trade Unions and thus learning the art of collective bargaining which is most essential for labour welfare.

In various other Chapters, and particularly in Chapter XXII, they make many useful suggestions with regard to the health conditions and health statistics of these workers. I have read this part carefully and I have noted down some of the things that I should like to read out. I won't use my language. I will use the language, as far as possible, of the Report itself. This Chapter deals with “Health and Welfare in Plantations”. I consider Chapter XXII a very illuminating and helpful Chapter. They say:—

“We recommend that all managers should be required to maintain birth and death registers and that by inspection Government should ensure that these are reasonably accurate”.

This is one of their recommendations. Then they deal with the supply of milk and vegetables.

“We do not intend to imply that malnutrition does not exist, or that improvement is unnecessary. Indeed we believe that much larger supplies of fresh milk, *ghi* and vegetables are a vital need for the labour forces resident on the plantations, if their general health is to be improved”.

Then they suggest methods by which fresh milk and *ghi* and vegetables may be increased. Then they go on to deal with anti-malarial measures and say:—

“A more active policy should be adopted by all plantation managements in regard to anti-malarial work carried out under skilled advice and supervision. We are convinced that this would go far to eliminate one of the industry's greatest handicaps”.

Then they deal with the question of “Water Supplies” and say:—

“Where supplies are drawn from hill streams, protection could probably be best afforded by conducting the water through pipes to the house lines. In such cases a piped water supply need not involve a heavy expenditure, and we recommend its provision wherever possible, because this ensures the minimum of pollution and incidentally saves the women a great deal of hard work”.

Then they come to “Housing Construction” and after pointing out that resident labour is housed free, they say (they are dealing with the houses as they saw them at that time):—

“Most of the houses are constructed of mud plaster with thatched roofs, and necessary repairs are carried out by the labourers themselves during the slack season, thatch being provided free. It has been the custom for employers to erect houses in long blocks of eight to twelve rooms,

[Mr. P. N. Saprú.]

but these should be suitably spaced out and should never be built back to back. The addition of suitable verandahs would also give some degree of privacy, a feature which is much appreciated, but has received too little consideration in the housing of labour in the past. A more recent type we have seen meets all requirements in regard to space, light and ventilation, the houses being built in blocks of two rooms. Small families are allotted one room, but where the members necessitate additional space both rooms are given over to the one family".

Then they go on to the question of "Bathing and Washing Places and they say:—

"Few plantations have made any serious attempt to provide bathing and washing places for their labourers".

Dealing with the question of "Sanitation" they say that adequate latrine accommodation should be provided in all such factories within a reasonable period to be specified by the Local Government. Then they deal with the question of "Medical Facilities" and say that the medical arrangements in the case of the smaller gardens are often unsatisfactory both as regards staff and facilities for treatment. They say that for a group of plantations there are great advantages in having a large centrally situated hospital of the type they saw in the Labac district of the Surma Valley, which served a group of 18 gardens under different managements. Then they deal with the question of "Women Doctors" and say:—

"The employment of women doctors seems to us to be the most satisfactory method of correcting this deficiency, especially as the women and children constitute a large proportion of the population in these areas".

Then they deal with the question of "Sick Benefits" and say:—

"We recommend that the practice of giving free food be adopted in all plantation hospitals".

They deal with the question of "Maternity Benefit Schemes" and say:—

"We propose that the law should require the employer to give a cash benefit to the mother, which should ordinarily take the form of half her daily wage for a period of four weeks before and four weeks after child-birth. In addition a bonus of Rs. 5 should be given, except where the employer has provided the skilled services of a woman doctor and a trained midwife, in which case any woman refusing to avail herself of these skilled services should not be eligible for the bonus".

Then they consider the question of "Welfare". They refer to the example of Ceylon where the free feeding of non-working children has had a material effect on their health and they consider that this method of promoting health is a sound investment and should be generally adopted. They go on to consider the question of "Recreation" and they point out the desirability of garden managers assisting in the organisation of adult sports, tribal dances and so on, and they advocate the setting apart of playing fields for general recreational purposes. Then they talk of "Welfare Centres" and in this connection they say:—

"The experiment of employing a trained health visitor has been made successfully in one of the Assam gardens and we consider that great scope exists for a wide extension of work of this kind".

And now they make a further recommendation of importance and that is, that the unrestricted age limit for the employment of children on the plantations of India should go. They consider it undesirable that children below the age of ten years should be employed. They also think that the work of such children is not of material benefit to the gardens and they point out that this is the statutory age limit for Indian children employed on plantations in Ceylon and Malaya. Then they point out that the Central Government has been able to insist on the provision for the children of the Indian worker in the plantations of Malaya and Ceylon of suitable educational facilities up to the legal minimum age of employment, viz., ten years. But this apparently is not being done here and they would like it to be done. Then they come to the question of official supervision and well-being and welfare. They recommend that the Director of Public Health, his Assistants and the District Health Officer should be *ex-officio* inspectors of plantations. Then a very important recommendation that they make is the establishment under statute of Boards of Health and Welfare for convenient areas. Each Board should have a majority of planter representatives who should be elected by their associations, but care should be taken to ensure that minorities, that is to say, unorganised employers, also receive adequate representation. They go on to the question of how these Boards should be financed and then they deal with the question of provision of drinking water, conservancy, sanitation, and drainage, provision of medical facilities prescribing minimum standards of house accommodation. These are some of the problems which should be dealt with by the Boards. Apart from this question of their welfare, on which I should like to know what progress has been made, because the Report does not enable one to find out



what progress has been made since 1931, apart from this question, the one further question on which I should like to be enlightened is the machinery that exists at the present time for the fixation of minimum wages. One of the most important recommendations that the Royal Commission made was that there should be machinery for the fixation of minimum wages. I will just quote from that. In Chapter XXI they deal with wages on plantations and after examining the system of wage payment in Assam and taking into consideration all the factors, they say :—

“ Our survey of the position in Assam has convinced us that the establishment of wage-fixing machinery for the tea industry, if practicable, is desirable. It has also given us reasons for believing that, if proper methods are adopted, a practicable scheme to this end can, in fact, be devised. We deal with the question of the desirability of establishing such machinery from the point of view, first, of the worker and, then, of the industry. Thereafter, we deal with certain objections to the idea, and we go on to outline the procedure and methods which appear to us most likely to lead to a successful issue ”.

They go on to deal with these questions and they say that they have come to the conclusion that the industry is also likely to gain from the introduction of wage-fixing machinery. This is what they say :—

“ For years the position of the worker in Assam has been the subject of widespread suspicion in other parts of India. In reviewing the conditions obtaining in Assam it has been our endeavour to indicate how far that suspicion is justified, how far it is based on ignorance or misrepresentation ”.

And they deal with the objections to statutory wage regulation. They refer to the experience of Ceylon and they say that objections were raised when a statutory wage machinery was fixed in Ceylon to the workability of any such arrangement and yet that arrangement has worked very well in Ceylon.

I have pointed out what the conditions, according to the reports that I have before me, are in the Assam tea gardens. I know that the industry is in a flourishing condition today. That it is in a flourishing condition needs no proof. I have pointed out that conditions of labour in Assam are very unsatisfactory, that they contrast very unfavourably with conditions in Ceylon. I will not say that conditions in Ceylon are ideal, but comparatively they are better than conditions in Assam. The Indian Government has got a very great responsibility in regard to Assam labour, because originally Assam labourers went as indentured labourers. We would like, Sir, to know what steps the Provincial Government or the Government of India have taken so far to improve the condition of these men and to implement the recommendations of the Royal Commission. Are there any trade union organisations now? Are facilities being provided for the promotion and establishment of trade unions there? Are any educational facilities being provided, and, if so, what is the extent of those facilities. It may be said all these are provincial matters. In a way that may be correct. But I find, Sir, that the Central Government has usurped almost everything today; and if there is one thing which is certain it is this, that the Assam planters will prove too strong for any Provincial Government. I think that the Saadulla Cabinet would like to view these problems with greater sympathy but the Saadulla Cabinet will never be able to tackle this problem because there you have got to deal with the white man who has no sympathy with the black man. I directly raise this racial issue because I do want equality of Indian labour in the world of tomorrow to be recognised with white labour.

It is a matter of regret to me that the Member in charge, for whose sake I postponed my Resolution because the date did not suit him is not present. He is a noted Labour leader, and I have no doubt that he will do the best he can for seeing that justice is done to the poor men. I am sorry he did not attend the debated today.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern: Non-Muhammadan): I should like to accord my full support to the Resolution moved by my Honourable friend Mr. Sapru. He has dealt with its subject-matter very fully. I shall not, therefore, refer to any of the points raised by him but I should like to refer very briefly to the contrast between the condition of the worker here and in other parts of the world where the Government of India have stood up for him and have demanded better and more humane conditions to live on his behalf. I shall for the present refer only to Ceylon. Mr. Sapru referred to the enquiry into the family budgets of 500 estate labourers there. It may be said that the families that were to be enquired into were so chosen as to yield the best results. I shall therefore not take my stand on the results of the enquiry to which my Honour-

[Pandit Hirday Nath Kunzru.]

able friend Mr. Sapru referred. I shall rely only on the statistics contained in the Annual Report of the Agent of the Government of India in Ceylon.

Now, Sir, my Honourable friend Mr. Sapru has pointed out the low wages which men, women and children receive practically in all parts of Assam on tea plantations. In the Assam valley where the wages seem to be better than on tea estates in other parts, the average monthly wages of a man are Rs. 10. I am not aware that even in these days any dearness allowance is being given to the workers or that they are being adequately compensated in other ways for the rise that has recently taken place in prices.

Now let us compare the state of things prevailing in Assam with that which prevails in Ceylon. The highest daily wages given to Indian labourers in Ceylon are 57 cents. and the lowest 53. In addition to this a dearness allowance of 37 cents per man and woman is given. This shows that adding the dearness allowance to the ordinary wages in an upcountry estate the man receives about 94 cents per day or about 15 annas and in low country estates 90 cents or about 14½ annas. On account of the war the labourers in Ceylon are employed more fully than used to be the case before. It is clear, therefore, Sir, that taking the wages alone the worker in Ceylon is better off than the worker in Assam. Take again, Sir, the question of education to which my Honourable friend Mr. Sapru referred very briefly. He pointed out that there were about 560,000 children on tea estates in Assam of whom only about 22,000 were receiving instruction in tea-garden schools. In Ceylon, however, where the total number of the children of school-going age on estates was about 82,000 or 83,000 about 50,000 were attending schools. About 58.55 per cent. of children of school-going age were at school in 1940 and 59.8 per cent. in 1941.

Now taking the proportion of school-going children in Assam tea plantations to be between 12 and 15 per cent., or even 12 per cent. of the total Indian population on the estates which is about 1,200,000 the result is much less satisfactory than in the case of Ceylon. There will be between 140,000 and 180,000 children requiring education but as of these only 22,000 are at school it means that about one-sixth or one-eighth of the children are receiving any kind of education.

Again, Sir, take the question of consumption of liquor. I gather from the report on tea plantation labour in Assam for the year 1941-42 that it is roughly estimated that about two-thirds of the total consumption of country spirit in the province of Assam was due to the labourers employed in tea gardens. Even if the planters may not be fond of prohibition they should certainly consider it necessary in the interests of their workers to allow less temptation to be placed in their way than is the case now and to give them fewer facilities of obtaining drink, which is in the interests neither of the workers nor of their families.

These are the main points, Sir, that I wish to bring to the attention of the House. But I should like to say one word more before I sit down. My Honourable friend Mr. Sapru has drawn the attention of the House to the recommendations of the Royal Commission on Labour. They are of a far-reaching character. We should like to know, therefore, to what extent effect has been given to them. We have in Assam a Governor who, we all know, has great sympathy with labour. Within the limits of his capacity he strove in various ways while he was here to improve the conditions of life of workers in India. Besides, he was a member of the Royal Commission on Labour, to which I have just referred, and has signed its Report. I trust, therefore, that he will be sympathetic to the Resolution moved by the Honourable Mr. Sapru. The state of things that has been disclosed by my Honourable friend is such as to call for an inquiry. There seems to be no reason why an inquiry should be refused. The Government of India have stood up for Indian labour in Ceylon and Malaya and elsewhere. Why is it that they have failed to do anything for plantation labour in this country? They have devoted attention to the problems affecting industrial workers, but I am not aware that they have taken any measures worth the name to improve the condition of workers in plantations.

What is the reason for their neglect of one of their primary duties in connection with the protection of labour? It seems to me that the Government of India, who are not subject to the pressure of British planters in Ceylon and Malaya, and

who were in a position to bring pressure to bear on the Governments of those countries, acted as the champions of Indian labour. But here they seem to be under the deleterious influence of British capitalist interests, and have therefore failed to do their duty. It is their failure to raise the standard of living of the worker here, their complete failure to look after the interests of the agricultural workers, that makes the Governments in other countries unwilling to listen with sympathy to the representations made by them. If Government show the same interest in plantation labour in India as they have shown in such labour outside India, I have no doubt that the state of things in this country will be quickly improved. But here they are not merely under the domination of British capitalist interests, but are also influenced by racial feelings. I have, Sir, seen something of the Assam labourer. I do not claim to have visited European tea estates: I have not seen even one of them. But I have seen Assam tea garden labour working on roads and elsewhere between Dimapur and Manipur, and it seemed to me, when I saw them, that they did no credit to their employers, and that their conditions of life required to be substantially improved.

This is a matter which the Government of India have neglected long, much too long. If they are sincere in their desire to improve the conditions of the masses, it is their bounden duty to befriend the plantation labour in India as they have befriended it elsewhere. Let them get rid of all racial considerations and regard themselves as trustees of the interests of the downtrodden masses in India where they are under the heels of the British capitalists. I do not want to be harsh on the British planter. Capitalists, whether white or brown, are of the same character wherever they may be found. But I do think that the element of racial feeling has entered into this question, and that it is one of the factors that are deterring the Government of India from protecting the legitimate interests of the workers, who are doing all they can to create new wealth in Assam. At this time particularly it is necessary that their interests should be looked after, because tea is commanding a high price. I hope that my Honourable friend Mr. Prior will not try to shelve the Resolution by saying that this is not a suitable time for making an inquiry. I understand that Dr. Ambedkar—whose absence from this House today has been marked by all of us—dealt with this matter in another place and gave a most discouraging reply. We all expected him to accept the Resolution moved by Mr. Sapru. But I understand that while he said in the Assembly that in his opinion it was necessary that the condition of plantation labour in Assam should be improved, and expressed his serious dissatisfaction with the present state of things, he expressed his inability to arrange for an inquiry now, on the ground that such inquiry cannot suitably be conducted while the war is going on. This seems to me to be very disappointing. Knowing as I do the sympathy of Dr. Ambedkar for labour, I feel certain that the decision which he announced in the Assembly was not his own; I feel sure, that the disappointing answer which he gave was dictated to him by the Government of India, and that he was forced, contrary to his own views, to give the disappointing answer to which I have just referred. I suppose that my Honourable friend Mr. Prior will repeat today what his chief said in the Assembly. If he does so, I can only say that the Government of India will deserve the censure of all right-thinking men in this country.

(The Honourable the Chairman then called upon the Honourable Mr. H. C. Prior to reply. It was then 4-50 P.M.)

THE HONOURABLE MR. H. C. PRIOR (Labour Secretary): Do you want me to finish in ten minutes, Sir?

THE HONOURABLE SIR MAHOMED USMAN (Leader of the House): We want to adjourn at 5 P.M. as there is an Executive Council meeting in the evening.

THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS): Can you not sit for 10 minutes more? I am entirely in the hands of the House.

THE HONOURABLE MR. H. C. PRIOR: I have got a number of things to say. I do not think I could finish in ten minutes.

THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS): If it is not finished now, nothing can be done. The Resolution cannot stand over, because this is the last non-official day, and if non-official business is not finished today, then nothing could be done.

THE HONOURABLE MR. H. C. PRIOR : I will do my best, Sir.

THE HONOURABLE MR. P. N. SAPRU : May I just point out one thing ?  
The Resolution was to have come up on the 6th on the first non-official day—

THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS) : What is the good of spending time over it ?

THE HONOURABLE MR. P. N. SAPRU : I shall not be able to attend the Council meeting after the 29th.

THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS) : There is no other non-official day. This Resolution cannot stand over.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : We ought to go on till the Agenda is finished unless it is possible to have another day.

THE HONOURABLE SIR MAHOMED USMAN : We can take this up after the official business is over tomorrow or the day after.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I think that both tomorrow and the day after tomorrow will be fully taken up by the discussion on the Finance Bill, and I would, therefore, request my Honourable friend the Leader of the House to give us another day because, apart from this Resolution already under discussion, there is one more Resolution to be discussed. Government will lose nothing if they give us one more day and I think this is a matter in which they can easily accommodate us.

THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS) : Will Saturday be convenient ?

THE HONOURABLE SIR MAHOMED USMAN : On Saturday I have important committee meetings. I have no objection to give another non-official day, for this Resolution only, some time next week, but not on Saturday.

THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS) : I am not suggesting Saturday. If the Government are willing to give another day, then should this Resolution alone be put down for that day or the other two Resolutions also ?

THE HONOURABLE SIR MAHOMED USMAN : I am told that there is likely to be some official work some time next week. After that is over, I am prepared to allow some time for discussing this Resolution.

THE HONOURABLE MR. P. N. SAPRU : I want to say something. I appreciate what the Honourable the Leader of the House says—that he is prepared to give us another non-official day. But my difficulty is this. So far as I am concerned, I shall not be able to attend the Council from the 29th because I have got some urgent private work which will keep me busy for three weeks at Allahabad.

THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS) : Somebody must yield. Saturday is not convenient. That is what the Honourable the Leader says.

THE HONOURABLE SIR MAHOMED USMAN : The Honourable Mr. Prior says that he would reply in 20 minutes now.

THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS) : Then the Mover will take some time.

THE HONOURABLE SIR MAHOMED USMAN : I cannot go on beyond that. I have got another important engagement.

THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS) : I am entirely in the hands of the House. If you want this to go on, I have no objection.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : If my Honourable friend Mr. Sapru cannot come, I hope that the Honourable Sir Mahomed Usman will stay here for some time in order to allow this Resolution at least to be finished.

THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS) : He has got a Council meeting to attend. We do not sit as a rule after 5 P.M. You know that very well. The Chairman cannot ask anybody to stay here after 5 P.M. I do not mind if you are all willing.

THE HONOURABLE MR. P. N. SAPRU : Can we devote an hour or so on the 27th for this Resolution ? On the 25th and 26th we shall discuss the Finance Bill.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : We shall have no time on the 25th or 26th. The 27th is the only day. It is no use of thinking of the 26th.

THE HONOURABLE SIR MAHOMED USMAN: On Saturday I have got a number of committees. We can go on with this some time next week.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Since he has agreed to give a day for this, would he not allow me to move my Resolution also on that day—the last Resolution on the Agenda?

THE HONOURABLE SIR MAHOMED USMAN: Very well, I have no objection.

THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS) (to the Honourable Mr. Sapru): You had better leave the Resolution to somebody else. The Honourable the Leader has been very kind. He says he would allow another day for the discussion of this Resolution.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa; Muhammadan): That will suit the convenience of all, Sir.

THE HONOURABLE MR. P. N. SAPRU: I recognise the difficulties of every one.

THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS): It cannot be helped. Somebody will have to give way. The understanding is that there will be another day for non-official business.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: The Honourable the Leader has allowed me also to move my Resolution.

THE HONOURABLE THE CHAIRMAN (SIR DAVID DEVADOSS): And also this Bill.

THE HONOURABLE MR. P. N. SAPRU: In case I am unable to be present, I will ask somebody else to take charge of the Resolution and I hope the House will not consider me discourteous if I move the Resolution and I am not present when it is discussed again.

THE HONOURABLE SIR MAHOMED USMAN: We understand that.

The Council then adjourned till Eleven of the Clock on Thursday, the 25th March, 1943.