

ECONOMIC ROLE, TAXING POWER AND TAXABLE CAPACITY OF AN ISLAMIC STATE

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1. INTRODUCTION:

Erecting the edifice of economic role of an Islamic state on the western foundations is erroneous. The recognition of such a role and consequent policy formulations in the western hemisphere date back to the economic debacle of 1930's.¹ The laissez-faire dogmatism of Smith regarded unfettered functioning of market forces as All-sufficient. All Wise and All-Healing. The economic and fiscal role of state was considered to be retrogressive. The Great depression of 30's played world-wide havoc. Almost every country suffered a great recession. Patinkin and Clark² summarize the grim picture as:

“.....the Period was one of fear and darkness and western world struggled with the Great Depression that it had known.....”

Samuelson³ being a member of CEA confessed that laissez-faire perfect competition could lead to starving cripples;.....; to perpetuation of Lorenz curves of great inequality and wealth for generation or for ever. He added that Smith had no right to assert that an Invisible hand successfully channels individuals who selfishly seek their own interest into promoting the public interest.....”

The economic scene of the 30's set the ground for serious economic role for the state. The neutral-government creed was replaced with active government economic participation. Economists pleaded for active state economic role with varied justifications. Nozick⁴ envisioned a minimal state limited to the narrow functions of protection against force, theft, fraud, enforcement of contracts and so on. He forwarded “a night watchman” justification for state. This agency will adopt coercive taxation to cope with free rider problem and to finance its operations. Buchannan and Tullock⁵ went beyond a minimal state to carry out “approved activities” opening the door for taxing and expenditures for “Pareto improvement”. Musgrave⁶ pleaded for government intervention for “merit wants”. Stiglitz added that non-availability of full set of markets for all relevant dates in future for all risks reanimates economic role of state. Stiglitz and Atkinson⁷ nominate (1) distribution, (2) failure to perfect

19. Ibid; March 8 & 9, 1946 respectively.
20. Ibid; March 22, 1946
21. Ibid;
22. Abul-Kalam Azad, India Wins Freedom, Calcutta, 1959, P.128.
23. Easter Times, (Daily English), Lahore, January 29, 1947, Punjab Public Library Lahore.
24. Sarfraz Hussain Mirza, Muslim Women's Role in Pakistan Movement, Lahore, 1969, P.88.
25. It is an undeniable fact that the brave movement of women against Khizar Ministry is the golden chapter of the movement of freedom not only in the Punjab but also in the whole of India. Women would ardently participate in processions. Most of them were in wrapped Burqas (the veil Muslim ladies take to hide their body and face). Some of them also had babies in their arms. This was the zeal which forced Khizar and B.J. Glancy to take their orders back. (Personal interview of Begum Salma Tassaduq Hussain with author).
26. Sarfraz Hussain Mirza, Op.Cit., PP.89-90.
27. Tara Chand, Op.Cit., P496.
28. DAWN, Op.Cit., March 3, 1947.
29. Noor Ahmad, Martial Law Say Martial Law Tuk, Lahore, (N.d.) P.284.

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2. V.P. Menon. Ibid;
3. Sarfraz Hussain Mirza, Punjab Muslims Students Federation Ph.D. Thesis, Punjab University, 1989, PP.333-34.
4. S.M.Asif Rizvi, Punjab Muslim League, Ph.D. Thesis, 1991, Islamia University, BWP. PP.270-71.
5. Tara Chand, History of the Freedom Movement of India, Vol.4, Lahore, 1972, P.452
6. Compiled & calculated from, return showing the results of elections in British India in 1937, I OR L/I/1607, NDC Lahore & LAD, Vol. No.9 April 5, 1937, Official Records & also see India Amneal Register, 1946, Vol.I., PP.230-31.
7. V.P.Menon. Op.Cit., P.226
8. Ibid; PP.226-30 & also see Tara Chard, Op.Cit., P.461.
9. Ibid;
10. Mohammad Raza Khan, What Price Freedom, Karachi. 1977, P.136.
11. Ibid; PP.142-43.
12. Ch.Mohammad Ali, The Emergence of Pakistan, Lahore, 1957 P.26, see for the detail of the Communal Award.
13. Asif Ali Rizvi Op.Cit; P.287
14. Governor, To Lord Wavell, March 15, 1946 NDC; Lahore.
15. DAWN Daily, (English). (Delhi), March 15, 1946, NDC, Lahore;
16. V.P.Menon, Op.cit., PP.230-31.
17. Nawa-i-Waqat, (Daily Urdu), Lahore March 8, 1946 NDC.. Lahore.
18. DAWN Op.Cit., March 2, 1946.

By that time, the overall position in the Punjab and Miserably worsened when each district of the province had involved in the movement in which Khizar was the major target, The slogans of down with Khizar as an expression of sever hatred against him were being raised.

The immediate result of the proclamation of February 20, was that a pact between the PPML and the Punjab Government was executed under which the restriction on public meetings was lifted all leaders were released. Iftikhar Hussain, being president of provincial League, called off the movement. After that without consulting his colleagues, Khizar tendered his resignation on March 2, 1947 saying:

His Majesty's Government has made it imperative that parties in the province must be brought face to face with stark realities and must come to grips direct with the problems of the country. It is now incumbent on me to leave the field for the Muslim League to come to such arrangement viz-a-viz the other parties as might consider best in the interest of the Muslim of the province". He further said, "If I were now to continue to lead a coalition in which the Muslim League is not represented, this might put in serious jeopardy such chances as might otherwise exist of a settlement being arrived at between the communities in the province."²⁸

At the successful termination of the movement, the Muslim masses expressed their boundless joy and organized thanks giving functions. They had been rewarded for what they had been struggling for full one month against an unpopular Government. The Provincial League had successfully achieved its first goal but now at this juncture, they were faced with another dragon. The resignation of the Unionist Government inflamed the Sikhs who expressed their fierce resentment over it. On March 3, Lala Bheem Sen Sachar Finance Minister (Congress) and Akali leader, Master Tara Singh, accompanied by some friends while standing on the Punjab Assembly stairs, issued inflammatory statements against the League. On this occasion, master Tara Singh, brandished his sword²⁹ in the air and said, "Raaj Karay GA Khalsa Aagay Rahay Na Kooi". He warned the Sikhs to gird up their loins and prepare to fight the Muslims, this speech resulted into bloodshed in the entire Punjab. In such a tense atmosphere, no coalition ministry could be formed, consequently, the Governor's rule was imposed. Although the Provincial League leaders made their utmost to checkmate the situation but failed. The Quaid made an offer to Master Tara Singh to see him and let him know the Sikh's demands but all in vain and the Province remained under the Governor Rule till the creation of Pakistan.

Amidst scenes of horror the purdah (veil) observing Muslim women did not give way. They threw themselves wholeheartedly in to the movement what years of education could not achieve was accomplished through their participation in the movement. When their brothers were being crushed by the policy of repression of the Khizar Ministry, the women – unflinchingly joined hands and spear-headed the agitation after the arrest of Provincial Muslim League leaders, with complete harmony and unanimity. The movement, however, gradually took a drastic turn and thousands of demonstrators defied the ban on public meetings and processions through the province. Processions were brought out by the muslim league women not only at Lahore but also at Ferozepur, Amrisar, Jullundur, Ambala, Rawalpindi, Jhelum, Gujranwala, Lyallpur, Multan and several other places of the province”.²⁶

When the Civil Disobedience Movement at its peak and the League Congress relations were increasingly getting strained at the Centre and, perhaps, there was likelihood of a probable civil war, the British Government made a dramatic proclamation regarding future transfer of power. “His majesty’s Government desire to hand over their responsibility to authorities established by a constitution approved by all parties in India in accordance with the Cabinet Mission Plan but unfortunately there is at present no clear prospect that such a constitution and such authorities will emerge. The present state of uncertainty is fraught with danger and cannot be indefinitely prolonged. His Majesty’s Government wish to make it clear that it is their definite intention to take the necessary steps to effect the transfer of power to responsible Indian hands by a date not later than June 1948. But if it should appear.....that such a constitution will not have been worked out before the time mentioned in paragraph (above). His Majesty’s Government will have to consider to whom the powers of the Central Government in British India should be handed over on the due date, whether as a whole to some form of Central Government for British India or in some areas to the existing provincial Governments, or in such other way as may seem most reasonable and in the best interest of the Indian people.”²⁷

It was also stated in the proclamation that the British Government had decided to appoint Lord Mount Batten as the new Viceroy of India who would be responsible for winding up the power from the British to Indian hands within the stipulated period.

The aforesaid proclamation had horrible effects on the political situation of the Punjab. Khizar could now gauge the future consequences of the continuation of the situation. He now became aware that the Muslim League would continue its pressure on him to take over power with the departure of the British India.

front-rank leaders of the provincial League including its President, Iftikhar Hussain, and General Secretary, Mumtaz Daultana and Shaukat Hayat were also arrested. With the arrest of these leaders, the way for the "Civil Disobedience Movement" was paved.

Two days later, Khizar Hayat issued orders of their release who along with other political workers were released on January 27. Though the restriction on the League National Guards had been lifted on January 28, but by that time, the Muslim masses had begun a protest movement against the Punjab Government. This movement increased its momentum day by day and had its bearing in other districts of the Province. Every day the masses would organize demonstrations, shout slogans of Quaid-e-Azam zindabad. Muslim League zindabad. UP UP the League flag down the union Jack etc. Hundreds of angry demonstrators offered arrest and it became difficult for the Punjab government to accommodate them all in the Jail. This movement practically paralyzed the entire administration of the province. Muslim men and women, irrespective of caste and creed participated in it. The Muslim youth practically spearheaded the movement when their elders were in Jails. Muslim women too played a remarkable role in bringing out processions. The notable aspect of this movement was that it was an exemplarily, organized, disciplined and extremely peaceful. No incident of violence or any untoward act occurred.

There were many occasions when the belligerent masses could be provoked to violence but they remained absolutely peaceful. They stressed that the unconstitutional Government should resign and the reign of the Province be transferred to the rightful hands. One of the pertinent aspects of the Civil disobedience Movement was that for the first time in the history of the Punjab, its parda (veil) observing women came out of four-walls, challenged the government and faced Lathi Charge, tear gass and arrests at the hands of the police. Women leaders like Fatima Begum, Begum Bashir Ahmad, Begum Salma Tassaduq Hussain, Begum Karim Dad Khan, Miss Mumtaz Shah Nawaz, Miss Nasira Siddiqui, Miss Qamar Parveen, Begum Viqar-un-Nisa Noon and Begum Sardar Shaukat Hayat played dynamic role by organizing huge women processions, the participation of College girls made the processions more Zealous. The slogans used to be raised in the processions were; Pakistan zindabad Haq Pay Hamara Pakistan, Layke Rahaingey Pakistan, Khizar Wizarat Toarhdo: Hamarey – Leader Chhoarhdo²⁵ etc. On a number of occasions the peaceful women processions were Lathi charged by the police which was termed as shameful and greatly condemned by the Muslim Press and attributed to be "reminiscent of the early days of Hitler's rise in Deutschn land".²⁴

Thus the only object of this unprincipled combination was to keep the league out of power in the Punjab. Azad (Abul Kalam Azad) described all the situation with pride that this was the first time congress had come into the government in the Punjab. "This was development which had till then been regarded as almost impossible. Political circles throughout the country declared that I had shown great skill and statesmanship in the negotiations which had led to the formation of the Punjab Ministry. Independent members throughout the country congratulated me in unqualified terms. The National Herald. Which is the organ of the U.P. Congress congratulated me on the manner in which I had solved the compels and difficult problem of Punjab".²²

Thereafter, the budge session of the Punjab Assembly commenced on March 21, 1946, which lasted until 30th. In such a tense situation, the session looked more political than budgetary, as most of the time was spent over the criticism against Khizer by Ghazanfar Ali, Iftikhar Hussain, Shaukat Hayat and others. This being so, the entire province came under the clouds of political tension and mistrust between the PPML and the coalition ministry continued to grow more and more. It would be appropriate to mention that the political confrontation of Sikandar's regime was totally different from that of the forties because unlike Sikandar's period, now, out of 175, a group of 79 members was unanimously opposing the coalition ministry in the assembly while out of the Assembly, the entire muslim population was deadly against Khizar Hayat and that volcano of Muslim Mysrity hatred could burst at any time. The danger got its shape when the Viceroy began to realize that the new system was also leading towards a failure.

While the league was putting efforts to reap the harvest of their victory in other majority provinces, it was driven towards a chronic situation in Punjab where the Governor, under the plea of Safety Ordinance, banned all subsidiary organizations of the political parties, by use of Section 93 of the Criminal Law Amendment Act, 1908. The Muslim League National Guards and Sewak Sangh were declared unlawful bodies. Soon after the promulgation of this law, the police patrols started searching for their offices.

In pursuance of the Governor's orders, a police party reached Muslim League National Guard Office, Lahore, on January 24, 1947 for search. By that time Punjab Premier, Khizar Hayat was in Delhi. On hearing the news of search, the league leaders dashed to the Provincial League office. They took it as a direct attack against the PPML. Mian Iftikhar-ud-Din (1907-1962) obstructed the police and refused to get the office searched out. He was arrested and thereafter, about seven to eight

To this effect, Iftikhar Hussain Mumdot and Feroze Khan Noon had already made it clear to Glancy that if an offer was given the provincial League would be in a sound position to form the ministry with the help of other parties.¹⁸ In spite of all this, the treachery formed its way and the Governor insisted upon calling Khizir & Co, to fall in. this was seriously taken up by the AIML. High Command and the Quaid and Liaquat vehemently condemned dishonesty of the Governor.¹⁹ Criticizing this decision they treated it as a conspiracy against the muslim community of the subcontinent in general and the muslims of the then Punjab in particular.²⁰

To analyse the new political situation a prolonged meeting of the PPML working Committee was held on March II, 1946, and a resolution was passed which strongly condemned the illegal and unprecedented action of the Governor in calling upon Malik Khizer Hayat to form the ministry in the Province. The formation of this ministry called for two comments. In the first place, the purpose of the Hindu Congress was to keep the League out of office in a province known as the heart of Pakistan. In the second place, the Congress under taken in forming a coalition with the Unionists was a contradiction of its election manifesto and so also all its past claims and history. "The general policy of the Congress towards ministry making in Muslim provinces was thus one of obstruction and intrigue. The idea was to harry and harass the League parliamentary parties so that no League ministry could come into office and, if this was unfruitful, to intrigue against the League administration with a view to breaking them. Sind and the Punjab conclusively prove the truth of this estimate".

The Quaid said even if the British and Hindus make an alliance against us, we are prepared for it. We shall face it. We are not going to surrender" about the ideal of Pakistan, Quaid roared: "On the issue of Pakistan, there can be no compromise. Pakistan-Pakistan-Pakistan-that is our goal and ideal and we will win it". Referring to the political situation in Punjab he said, "you should not be desirous of forming Ministry, forming is only a secondary affair. Our main goal is Pakistan". He added that "we are not thinking in terms of setting down to work the 1935 Constitution or 1919 Constitution in the Central Government. We are determined and are prepared to make any and every sacrifice to put a speedy end to this colonialism and establish Pakistan. I recognize that the formation of ministries to secure a stable provincial government under the present constitution with a practical working majority, may as I have said, be attempted for what it is worth. But we do not want to form the ministries by bargaining our fundamentals and principles".²¹

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danger, trial or sacrifice which may be demanded of me".¹¹ The first testimony of this oath was emerged in the then Punjab body politics.

As described earlier the AIML captured 90% seats in the Muslim majority provinces viz; Bengal, Sindh and Punjab, but still it could not secure absolute majority in the Provincial Assemblies to form government because of the Communal Award¹² except in Bengal where, just after the election, it formed Ministry with the help of other minority parties. But in Punjab Provincial Assembly, it could only claim itself to be the largest party. In pursuance of the parliamentary conventions, it was incumbent on the Punjab Governor to invite the League to form government. This was done by the Governors of the Sindh and Bengal, who had invited Sir Ghulam Husain Hidayat Ullah of Sindh and Husain Shaheed Suharwardy of Bengal to form coalition ministries in their provinces.¹³ In Punjab Governor in coordination with INC and Akalies manipulated yet another Ministry of Unionist party in which Khizer Hayat was Prime Minister. In this context the Governor while informing the viceroy wrote that "I have accordingly called on as the leader of the coalition to form a ministry, and I do not see that I had any option but to that this action".¹⁴

It was announced from the Government house that His Excellency, the Governor of the Punjab, had appointed Khizar Hayat, Sardar Baldev Singh, Nawab Muzaffar Ali Qazilbiash and Lala Bhim sen Sacher as members of the council of Ministers.¹⁵

Khizar and Muzaffar belonged to the Unionist Party while the remaining two sardar Baldev Singh and Late Bhim Sen Sachar represented the Akali Party and the congress respectively. The new ministers took oath at the Government House on March 12, 1946.

Since the congress and Akali party had formed a working alliance, the Governor constituted the above council of Ministers. During negotiations with the Muslim League, these two parties had put forth three conditions i.e. (1) The Congress would be at liberty to select ministers. The ministers may be from amongst Hindus, Muslims or other communities without taking into account the claim of the League being the sole representative of the Muslims; (2) total half of the ministers would be from the congress and Akali Alliance and; (3) Any other extra-provincial questions, such as Pakistan, would not be brought before the Provincial Assembly.¹⁶ The leader of Muslim League Assembly Party also tried to assure the Governor of its majority in the House informing him that it had obtained support of eightyeight members as Sir Jamal Khan, Nawab Ashiq Hussain and one Ahrari Independent members who had also assured cooperation in black and white to the PPML.¹⁷

Muslim masses. The INC did not prove its myth to the Hindu community in the central only 57 seats out of 62⁹ seats reserved for Hindu community in the central assembly. As such it was wiped out in the five constituencies reserved for Hindus. The INC claimed that it represented both Hindus and Muslims being the largest communities in the then India lost its weight.

Were as cent per cent success of the AIML on the Muslim constituencies in the Central Assembly of the British Indian Government was a distinct episode in the Democratic Doctrine of the time. AIML on account of its brilliant success in the central and Provincial elections announced to celebrate a Day of victory on January 11, 1946 which was Zealously celebrated by holding meeting and functions all over the then India including Punjab.¹⁰

The Quaid decided to call a three days convention of all victorious league candidates of central and provincial legislatures of the then Indian subcontinent which was held in Delhi on 7th April 1946 which was called Muslim constituent assembly by a political scholars. More than five hundred delegates attended the convention. Some Akali leaders including Giani Kartar Singh were among the Visitors. In the opening session the Quaid delivered a comprehensive speech in which he highlighted the difficulties and horrors of the Hindu Majority rule for the Muslim community after the departure of the British in the subcontinent. He strongly stressed the ideology of Pakistan and openly said "they may check us. They may obstruct, but no body can prevent us from reaching our goal. They can only delay us for a little time. With hope, courage and faith we shall win."¹⁰

Before the convention was dissolved every member from Muslim League of the Central and Provincial Legislative Assemblies of the then Muslim India took the following oath.

"I do hereby solemnly declare my firm conviction that the safety and security, the salvation and destiny of the Muslim nation inhabiting the subcontinent of India lie only in the achievement of Pakistan, which is the only equitable, honourable and just solution of the constitutional problems and which will bring peace, freedom and prosperity to the various nationalities and communities of this great sub-continent.

"I most solemnly affirm that I shall willingly and unflinchingly carry out all the directions and instructions which may be issued by the AIML in pursuance of any movement that may be launched by it for the attainment of the cherished national goal of Pakistan. Believing as I do in the righteousness and the justice of my cause, I pledge to undergo any

c) Akali	-	-	2	-	-
d) Independent	5	-	-	-	-
e) Europeans	-	-	-	8	102 ²

After the Central Assembly elections the elections of the Provincial Assembly of Punjab were held in February, 1946. The Provincial Assembly consisted of 175 members, about 550 consolidates contested. Out of them 84 belonged to the PPML, 76 INC 26 Akali 27 communists. 18 Ahrar, 3 radical Parties and almost 175 from the Unionist party.³ Good planning and concrete efforts yielded the desired result which was not less than a miracle. Punjab Provincial Muslim League (Est. 1906 and here after PPML) which could not even introduced its candidates properly in bye-elections and local bodies elections upto last one year,⁴ emerged as the single largest party which captured 79 seats in a house of 175 rising upto 84. whereas the ruling Unionist party suffered decisive set back despite total support of all anti-Muslim League parties and the ruling British civil administration.⁵ A figurative comparison of the Punjab Assembly Seats of the then India was as follows:

Final Breakup Punjab Provincial Assembly Seats after Provincial Assembly Elections in 1946.⁶

i) Reservation of Seats according to communal Award.	<u>HINDU</u>	<u>MUSLIM</u>	<u>SIKHS</u>	<u>EUROPEANS</u>	<u>TOTAL</u>
	43	86	32	14	175
ii) No of Seats occupied by various Political parties.					
a) INC	51	-	-	-	-
b) A.I.M.L.	84	-	-	-	-
c) Akali	22	-	-	-	-

The Unionist party could retain only 10 seats in the 175⁷ members house. However the PPML became the sole representative of the Muslims of the Punjab and the largest party of the Punjab Provincial Assembly.

This scale of success was not only in the Punjab Province but also all over the then British India. All Provincial organizations of AIML enjoyed history making victory. 446 Muslim seats, out of 492, were captured successfully by the Provinces Muslim League from all provinces of the then British India.⁸

It became obvious from the election results that the AIML slogan of "Pakistan" was stamped "Yes" by the Muslim masses at the clarion call of their beloved leader Quaid-i-Azam Muhammad Ali Jinnah (here after Quaid). The elections thus established that the AIML demand that, it was sole representative party of Muslims of the then India was fully realised by

PUNJAB IN POLITICAL GRIP AT THE EVE OF PAKISTAN

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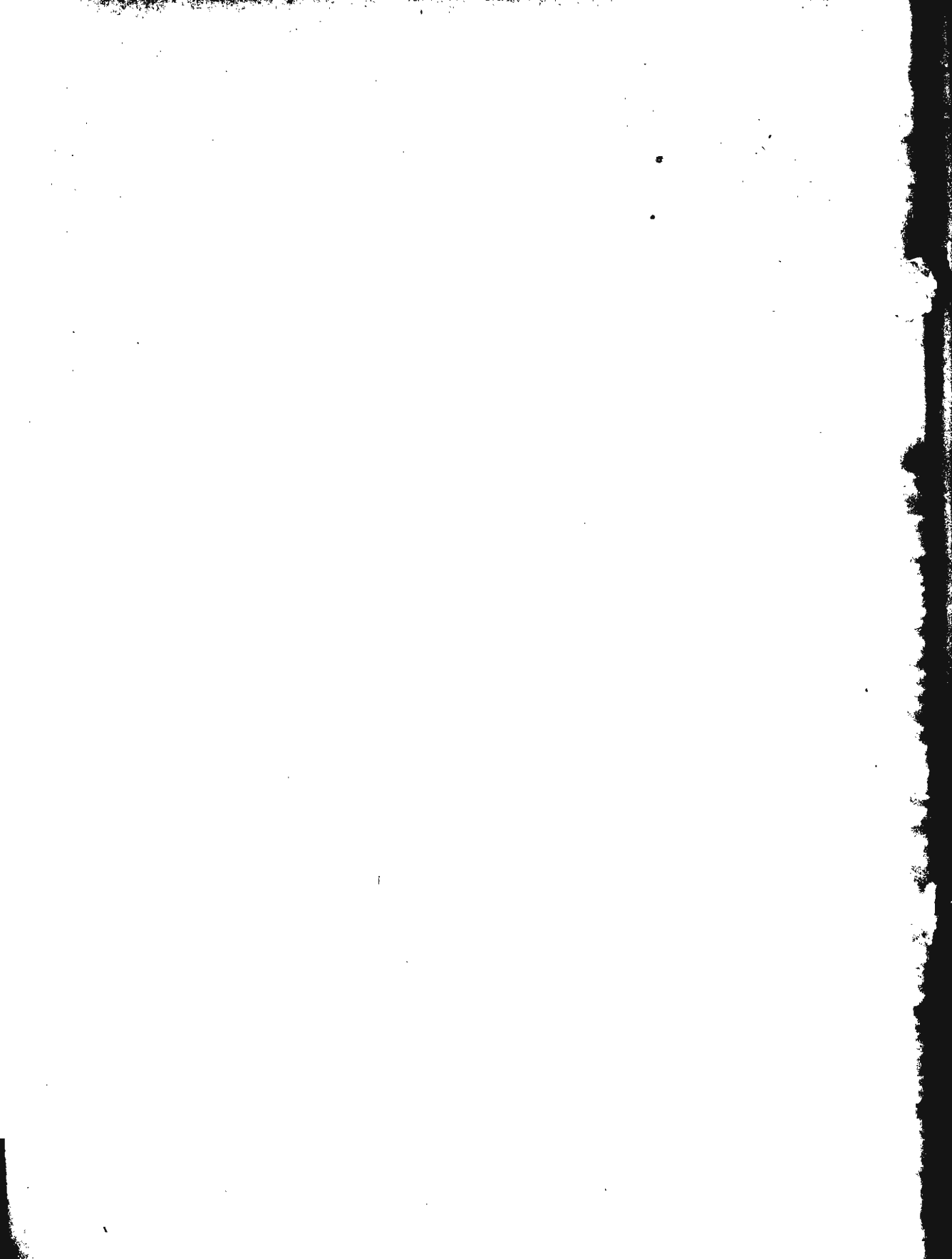
Punjab which was destined to play pivotal role in the making and furtherance of Pakistan as an Independent Muslim State bordering the Muslim Middle East had become the centre of grave political and administrative ghaose, just at the eve of the making of this country. The chaos and the resulting disorder swallowed some one and a half million people and resulted in mass population. Transfer of some twenty Million people both sides from the East to West to and west to East unparalleled in human history so far. In just three to six months time and without proper means of transportation.

The objective of the All-India Muslim League (Est. 1906 and here after AIML) in the election of 1945-46, was very clear and definite that AIML was the sole representative of Muslims of the sub continent and that creation of an independent and sovereign Muslim State- "Pakistan" was the only solution of problems of Muslim community of the then Indian subcontinent. The elections were contested on the promise of the establishment of Pakistan and thus the result showed unique success of AIML in the history of parliamentary Systems.

For Central Assembly AIML captured all thirty seats reserved for the Muslims and so also 86.6 percent of total Muslim votes were casted in its favour. The performance of Indian National Congress, (Est. 1885 and here after INC) and its allied parties so far as Muslim constituencies etc., were concerned, extremely poor. A figurative comparison of the Central Assembly seats of the then India was as follows:-

BREAKUP OF CENTRAL ASSEMBLY SEATS IN THE ELECTIONS OF 1945-46

i)	Reservation of Seats according to communal Award 1932.	<u>HINDU</u>	<u>MUSLIM</u>	<u>SIKHS</u>	<u>EUROPEANS</u>	<u>TOTAL</u>
		62	30	2	8	102
ii)	No of Seats occupied by various Political parties.					
	a) INC	57	-	-	-	-
	b) A.I.M.L.	-	30	-	-	-



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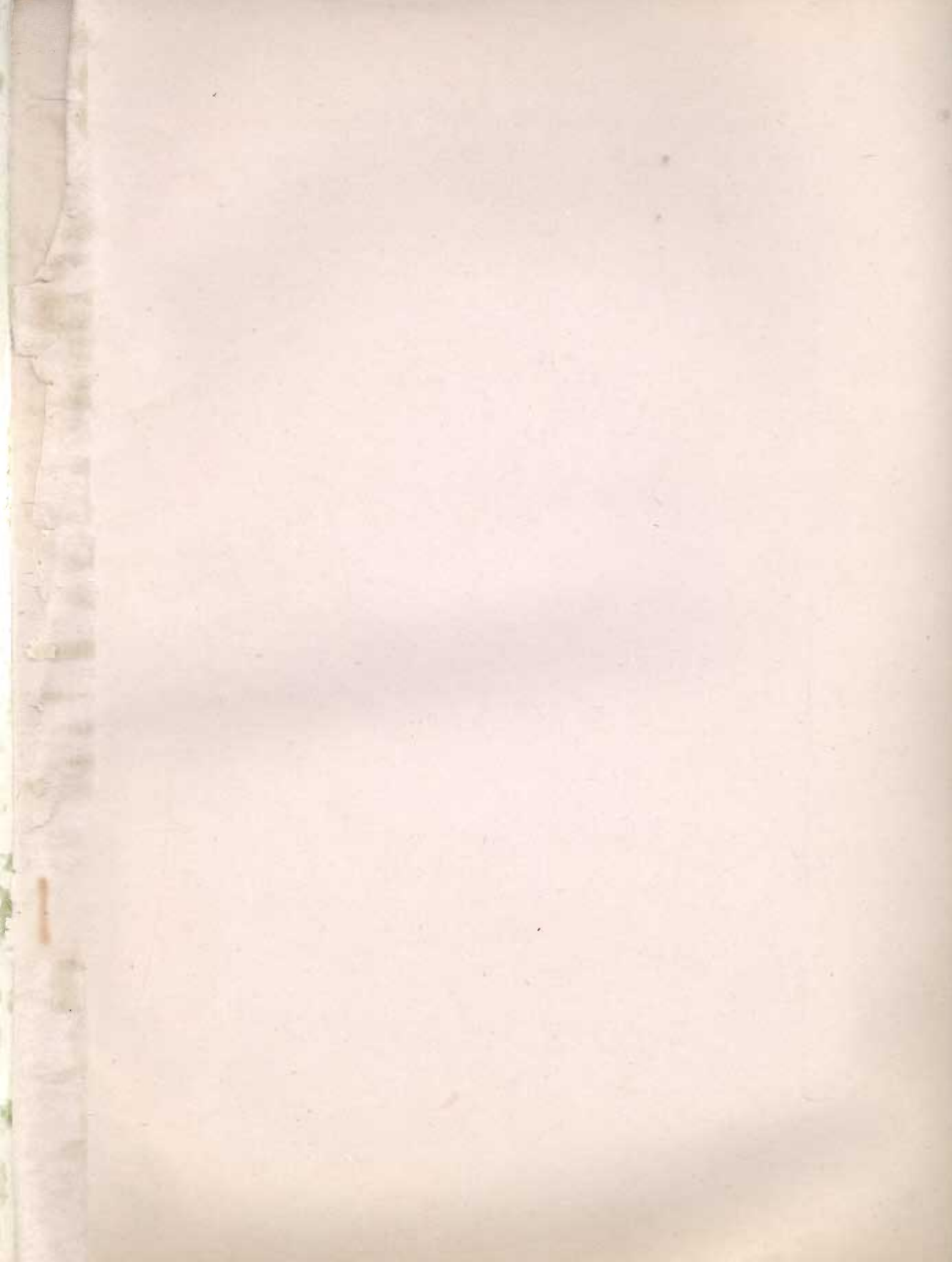


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