

10th March, 1926

THE

LEGISLATIVE ASSEMBLY DEBATES

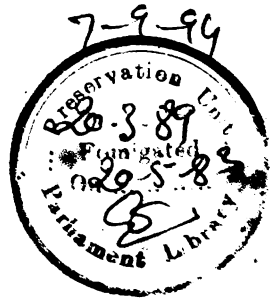
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FOURTH SESSION

OF THE

SECOND LEGISLATIVE ASSEMBLY, 1926



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LEGISLATIVE ASSEMBLY.

Wednesday, 10th March, 1926.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President in the Chair.

QUESTIONS AND ANSWERS.

DEPUTATION OUT OF INDIA AT STATE EXPENSE OF OFFICIAL MEMBERS OF THE PRESENT LEGISLATIVE ASSEMBLY.

1163. ***Mr. Gaya Prasad Singh:** Will the Government be pleased to lay on the table a statement showing the names of official Members of the present Legislative Assembly, who were sent out of India at State expense (if any) and giving the following particulars:—

Number.	Names of Members.	Where sent.	Object of visit.	Year of visit.	Total expense incurred.	REMARKS.
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The Honourable Sir Alexander Muddiman: Before official Members of the present Assembly, if any, were sent on deputation out of India at State expense, they would probably have resigned their membership. It would also be difficult in most cases to decide whether such deputations were connected with their former membership of the Assembly or not. In these circumstances, any information on the lines asked for would probably be very misleading, and I think no public purpose would be served by collecting and supplying it.

ANNUAL INCREMENTS OF INCOME-TAX OFFICERS IN SIND.

1164. ***Mr. Harchandral Vlahindas:** (a) Is it a fact that in some provinces Income-tax Officers get annual increments of Rs. 40 whilst in Sind they get only Rs. 50 every two years?

(b) If so, do Government propose to allow the Sind officers also the same increment of Rs. 40 a year?

The Honourable Sir Basil Blackett: (a) Yes. The scales of pay vary in different provinces according to local circumstances. The Income-tax Officers in Sind are on the same scale of pay as those in Bombay Presidency proper.

(b) The answer is in the negative.

PAY OF INSPECTORS AND EXAMINERS IN THE INCOME-TAX DEPARTMENT
IN SIND.

1165. ***Mr. Harchandral Vishindas:** Is it a fact that in some provinces the Inspectors and Examiners of Income-tax are given pay at Rs. 250 to Rs. 500 and Rs. 150 to Rs. 250, whereas in Sind the above officers get Rs. 150 to Rs. 325? If so, do Government propose to accord to Sind officers the treatment accorded to similar officers of the other provinces?

The Honourable Sir Basil Blackett: The pay of Inspectors and Examiners in the Income-tax Department in Sind (to which the Honourable Member presumably refers) is as he has stated. The pay of officers of this class varies from Province to Province according to local conditions. The pay of Inspectors does not rise to Rs. 500 anywhere except in Bombay City. The pay of both classes of officers is higher in Sind than anywhere else in India except Bombay City and Burma, and the Government see no reason to increase it.

PAY OF EXAMINERS AND INSPECTORS IN THE INCOME-TAX DEPARTMENT.

1166. ***Mr. Harchandral Vishindas:** (a) Is it a fact that owing to the Fundamental Rules on the introduction of the reorganization scheme, some Examiners and Inspectors of Income-tax suffered in pay and that their juniors got more pay?

(b) Is it a fact that the Commissioner of Income-tax of Bombay brought this anomaly and hardship to the notice of the Central Board of Revenue, suggesting redress, but to no effect?

(c) Is it a fact that last year it was promised that the cases of these men would be duly considered, but that promise has not yet been fulfilled?

(d) Do Government propose to remedy the hardship referred to, by sanctioning the grant of adequate pay to the sufferers with effect from the date of the introduction of the reorganization scheme?

The Honourable Sir Basil Blackett: It does not appear that the Government have received any representations on this subject.

ANNUAL INCREMENTS OF INSPECTORS AND EXAMINERS IN THE INCOME-TAX DEPARTMENT IN SIND.

1167. ***Mr. Harchandral Vishindas:** (a) Is it a fact that in the mufassil of the Bombay Presidency proper the Inspectors and Examiners of Income-tax get increments of Rs. 15 every year whilst in Sind they get Rs. 25 every two years?

(b) If so, do Government propose to remove the inequality?

The Honourable Sir Basil Blackett: (a) Yes, but the scales as a whole are more liberal in Sind than in the mufassil Districts of the Bombay Presidency proper.

(b) I would refer to the reply that I have just given to the Honourable Member's question No. 1165.

GRADING OF SUBORDINATES IN THE INCOME-TAX DEPARTMENT DRAWING RS. 200 PER MENSEM AS THIRD CLASS OFFICERS FOR THE PURPOSES OF TRAVELLING ALLOWANCES.

1168. ***Mr. Harchandrai Vishindas:** (a) Is it a fact that the subordinates in the Income-Tax Department drawing Rs. 200 p. m. are treated as third class officers for the purposes of travelling allowance whereas subordinates of the Provincial Government on the same pay are treated as officers of second class for the above purposes?

(b) If so, do Government propose to treat these officers equally in the matter of travelling allowances?

The Honourable Sir Basil Blackett: (a) Under the Supplementary Rules issued by the Government of India, the subordinates in question are treated as third class officers. The Government are not aware whether under the Supplementary Rules of the Government of Bombay, subordinates of the Provincial Government on the same rate of pay are treated as officers of the second class.

(b) The Government of India are not prepared to accept the principle that their Supplementary Rules should be superseded by the Supplementary Rules framed by the Provincial Governments.

ADEQUATE REPRESENTATION OF INDIANS IN THE PROPOSED LEGISLATIVE ASSEMBLY IN TANGANYIKA.

1169. ***Sir Darcy Lindsay:** (a) Have Government received any information regarding an important statement made very recently by His Excellency the Governor of Tanganyika that it was his intention this year to create a Legislative Assembly to assist in the administration of the Tanganyika Territory?

(b) If the answer is in the affirmative have Government taken immediate steps to represent to the Colonial Office that the large Indian community settled in Tanganyika should be granted adequate representation in the Legislative Assembly?

Mr. J. W. Bhore: The answer to both parts of the question is in the affirmative.

THE HAJ PILGRIMAGE OF 1925.

1170. ***Haji Wajihuddin:** Will the Government be pleased to state:

- (a) the number of pilgrims that went to Hedjaz in the pilgrim season of 1925, both from Bombay and Karachi?
- (b) the number of ships that carried these pilgrims from Bombay and Karachi?
- (c) the number of pilgrims that purchased return tickets from the shipping companies at both places?
- (d) the number of pilgrims that deposited Rs. 70. with the Government at Bombay and Karachi?
- (e) the number of pilgrims that purchased only single outward tickets from Bombay and Karachi?

- (f) the number of pilgrims that sailed without ticket, (i) from Karachi, (ii) from Bombay?
- (g) the number of pilgrims that returned from the Hedjaz after the Haj?
- (h) the number of pilgrims that died on the pilgrim ships *en route* to Rabigh and back?
- (i) the number of pilgrims killed or found missing in the Hedjaz?
- (j) the number of poor pilgrims that were brought to India at the expenses of the Government or any of the shipping companies?
- (k) the amount handed over to the companies from the deposits of the return passage money?
- (l) the amount refunded to (i) pilgrims not using pilgrims' ships on their return journey, (ii) the heirs of the deceased pilgrims?
- (m) the amount still lying with the Government unclaimed or unpaid?

Mr. J. W. Bhore: (a), (c), (d), (e) and (f). The Honourable Member is referred to my reply to his unstarred question No. 36 on the 25th August, 1925.

(b) 3.

(g) 2,600.

(h) 4 deaths are reported to have occurred on the return voyage from Rabigh. Information regarding deaths on the outward voyage has been called for and will be communicated to the Honourable Member on its receipt.

(i) The only case that came to the notice of Government was one Indian pilgrim killed by robbers.

(j) 187 by the Government of India and 3 by Messrs. Turner, Morrison & Co.

(k), (l) and (m). The information has been called for and will be communicated to the Honourable Member on its receipt.

REFUND TO HAJ PILGRIMS OF UNUSED DEPOSIT MONEY?

1171. ***Haji Wajihuddin:** Is it a fact that pilgrims had to undergo great hardships in taking back their unused deposit money?

Mr. J. W. Bhore: The Government of India have hitherto not received any such complaint.

DISPOSAL OF THE PROPERTY OF HAJ PILGRIMS WHO DIED ON BOARD A PILGRIM SHIP.

1172. ***Haji Wajihuddin:** Will the Government place on the table a list showing, (i) name, nationality, and place of residence of each pilgrim who died on a pilgrim ship? (ii) money and property taken into its custody by the shipping company and handed over to the Government in due course? (iii) whether the same has been handed over to the heirs of the deceased; if not, why not? (iv) how much money in all is lying with the Government unclaimed or unpaid and what the Government propose to do with such amount?

Mr. J. W. Bhore: The question does not indicate the period for which the information is required, but the Government of Bombay has been asked to give the requisite information in respect of the pilgrim season of 1925. On receipt it will be supplied to the Honourable Member.

QUARANTINE DUES AT KAMARAN.

1173. ***Haji Wajihuddin:** Will the Government furnish a statement showing (i) the annual income from the quarantine dues at Kamaran derived from the pilgrims for the last five years, (ii) annual expenditure incurred on quarantine arrangements at Kamaran for the last five years, (iii) amount spent on the administration of Kamaran Island for the last five years from the quarantine duties, (iv) amount still lying with the Government?

Mr. J. W. Bhore: The accounts of the Kamaran Administration are now under scrutiny and Government are unable at present to give the information asked for.

QUARANTINE ARRANGEMENTS FOR HAJ PILGRIMS AT KAMARAN.

1174. ***Haji Wajihuddin:** (a) Will the Government explain why the pilgrims only have to suffer the trouble of quarantine examination while all other travellers going from India to any other parts of the world even to Arabia in the non-pilgrim season are immune from similar treatment?

(b) Is it a fact that a pilgrim has to pay Rs. 10 at this quarantine station at Kamaran? Will the Government state when this practice is going to be abolished?

Mr. J. W. Bhore: (a) As the Honourable Member is aware, the quarantine arrangements for pilgrims at Kamaran are based on the provisions of the Paris International Sanitary Convention. The object is to safeguard the health of the pilgrims against the risk of the spread of infectious diseases by pilgrims proceeding to the Hedjaz.

(b) A fee of Rs. 10 is levied on pilgrims of all nationalities at Kamaran, except in the case of children under 7 years of age and pilgrims conveyed by ships on which the number of pilgrims does not exceed 5 per cent. of the registered tonnage. The abolition of this practice is not contemplated.

UNCLAIMED PASSAGE MONEY ON ACCOUNT OF UNUSED RETURN COUPONS ISSUED TO HAJ.

1175. ***Haji Wajihuddin:** (a) Is it a fact that a large amount of unused return passage money of the deceased Indians, Bokharis, Chinese and other non-Indian pilgrims remains unclaimed and unrefunded with the shipping companies each year?

(b) If so, how much money is with the Government and how much with the shipping companies?

(c) Do Government propose to use such sums and all other similar sums lying with the Government or shipping companies for the benefit of the pilgrims?

Mr. J. W. Bhore: (a) The Government of India have no information.

(b) So far as Government are aware no sum representing unclaimed passage money on account of unused return coupons is at present in the possession of Government. They have no information as to what amount of such passage money, if any, is in the possession of the shipping companies.

(c) The Government of India are considering the framing of rules under clause (qq) in sub-section (1) of section 213 of the Indian Merchant Shipping Act, 1923, as amended by Act XI of 1925, so as to provide that such unclaimed passage money shall, in future, lapse to Government after a prescribed period and be applied for the benefit of the pilgrims.

UTILISATION OF INTEREST DERIVED FROM THE DEPOSIT MONEY OF HAJ PILGRIMS.

1176. ***Haji Wajihuddin:** How much interest did the Government receive from the pilgrims' deposit money and on what object was it utilised?

Mr. J. W. Bhore: Complete information regarding the amount of interest received is not available but a sum of Rs. 6,800 approximately appears to have been realised as interest on the deposits made by pilgrims during the pilgrim seasons of 1924 and 1925, till the end of June last. The Government of India have directed that the receipts from interest should be utilised for meeting the extra expenditure in connection with the working of the pilgrim deposit system.

MEDICAL STAFF ON PILGRIM SHIPS.

1177. ***Haji Wajihuddin:** Is it a fact that last year complaints were made by the pilgrims about the incompetency of the medical staff on board the pilgrim ships? Will the Government ascertain from the Captains of the pilgrim ships and also from shipping companies if they received any complaints such as those referred to above?

Mr. J. W. Bhore: No complaint of the nature indicated by the Honourable Member was received by the Government of India last year. The Bombay Government have been asked to make the inquiry suggested in the concluding portion of the question.

MEDICAL ARRANGEMENTS ON PILGRIM SHIPS.

1178. ***Haji Wajihuddin:** (a) Has the Government seen the report of the Khilafat Delegation of 1925 as to the incompetency of medical arrangements and the advisability of keeping also a Tibbi Hakim on board each pilgrim ship for the treatment of pilgrims?

(b) Do Government propose to make arrangements in future with the shipping companies to employ Indian Hakims also for the Haj season?

Mr. J. W. Bhore: (a) No.

(b) The Government have no power to make shipping companies employ Hakims on pilgrim ships.

EXPENDITURE ON THE MEDICAL STAFF SENT FROM THE JEDDAH CONSULATE TO MECCA TO LOOK AFTER INDIAN PILGRIMS.

1179. ***Haji Wajihuddin:** Will the Government state:

- (a) the amount of expenses incurred on medical staff sent from Jeddah Consulate to Mecca to look after Indian pilgrims;
- (b) number of patients treated; and
- (c) cost of medicine distributed to the poor in Mecca?

SERVICES RENDERED TO INDIAN PILGRIMS BY THE JEDDAH MEDICAL STAFF.

1180. ***Haji Wajihuddin:** (a) Is it a fact that the medical staff sent from Jeddah gave practically no help to the pilgrims as their chests of medicines were left behind at Rabigh and they themselves performed the Haj and returned to Jeddah without giving any help to the sick at all?

(b) Will the Government state how much money is paid from the Indian treasury to the Jeddah Consulate for this medical mission, and do Government propose to discontinue such payment in future?

Sir Denys Bray: With your permission, Sir, I propose to answer questions No. 1179 and No. 1180 together. During the last pilgrimage just under £200 was spent over the despatch of the Indian doctor and staff from Jeddah to Rabigh and Mecca. Surplus medical stores were left at Rabigh, but the medical staff took medicine chests to Arafat and Mina and treated all who applied for treatment. No record was kept of the cost of the medicine distributed or the number treated, but the Indian doctor puts it at over 200.

As the Honourable Member knows, the conditions of the last pilgrimage were abnormal. The pilgrimage was very small and the health of the pilgrims partly in consequence unusually good. About Rs. 20,600 are paid annually from Indian revenues for the maintenance of the medical staff at Jeddah. Government believe that the staff render very valuable services to the Indian pilgrims and have no intention of discontinuing the expenditure.

EXPENDITURE IN CONNECTION WITH THE INDIAN PILGRIMAGE OFFICER.

1181. ***Haji Wajihuddin:** How much money was spent on the Protector of the pilgrims sent last year from Aden by the last pilgrim ship? Is it a fact that the pilgrims derive no benefit from expenditure of such money?

Mr. J. W. Bhore: The Honourable Member is presumably referring to the Indian Pilgrimage Officer who was sent to Rabigh. The expenditure amounted to Rs. 4,200 approximately. The Government of India do not share the opinion that pilgrims derive no benefit from such expenditure.

COMMUNIST PROPAGANDA AMONGST THE INDIAN STUDENTS IN THE UNIVERSITY OF OXFORD.

1182. ***Mr. Chaman Lal:** 1. Are Government aware that the Honourable the Home Member read a letter published in the *London Times*, of January 26th last, signed by the Vice-Chancellor of the Oxford University, in the course of the debate on the Bengal State Prisoners Regulation Repeal Bill?

2. Is it a fact that the Honourable the Home Member said that "an independent authority" (i.e., the Vice-Chancellor and Proctors) "investigated the matter and found that these subterranean and cowardly methods were being adopted" to infect Indian students with communistic propaganda?

3. Is it a fact that the two undergraduates at Oxford who signed the undertaking mentioned by the Honourable the Home Member were not Indians?

COMMUNIST PROPAGANDA AMONGST THE INDIAN STUDENTS IN THE UNIVERSITY OF OXFORD.

1183. ***Mr. Chaman Lal:** Has the following correspondence appearing in the *Indian Daily Mail*, February 26th, 1926, been brought to the notice of the Honourable the Home Member:

"INDIANS AT OXFORD.

A Lie Refuted.

TO THE EDITOR, THE "INDIAN DAILY MAIL."

Sir,—Large prominence was given in the Indian papers some time back regarding the Communist activity amongst the Indian students at Oxford. I am surprised to see that the British news services have not supplied the Indian newspapers with some alacrity the news that the two undergraduates that were made to sign an agreement by the Vice-Chancellor of Oxford were not Indians.

In fairness to Indian students at Cambridge and Oxford whom some of the British newspapers love to attack at every conceivable opportunity, I request you to give prominence in your esteemed paper, to a letter from Sir Atul Chatterjee, High Commissioner for India, London, to the Editor of the "Times".

"A MEMBER OF CAMBRIDGE MAJLIS."

INDIANS AT OXFORD.

The following letter appeared in "The Times" in mail week:—

Following upon the letter from the Vice-Chancellor of Oxford University which you published in your issue of January 26 last on the subject of the action recently taken by the Vice-Chancellor and Proctors, I am permitted by the courtesy of the Vice-Chancellor to state that neither of the two undergraduates against whom disciplinary action was taken was an Indian. I should be glad if you will kindly give publicity to this statement in order that any possible misapprehension on the subject may be removed.

ATUL C. CHATTERJEE."

The Honourable Sir Alexander Muddiman: With your permission I propose to reply to questions Nos. 1182 and 1183 in a single answer. I have carefully examined the reports of the debate and can find nothing in what I said which suggests that the Communist propagandists at Oxford were Indians, which is not of course the case. On the contrary the point which I was very clearly making was the disreputable character of the attempts made to tamper with the loyalty of Indian students at Oxford and to induce them to take up revolutionary activities and the necessity of protecting them from such attempts. I am glad of this opportunity to associate myself with the Honourable and absent Member in the desire, which his questions imply, to exonerate the Indian students from Communist activities of this character.

NON-PUBLICATION OF VOLUME II OF THE INDIAN JAILS COMMITTEE REPORT.

1184. ***Mr. K. C. Neogy:** What are the reasons for the non-publication of Volume II of the Indian Jails Committee Report (1919-20)?

EVIDENCE OF LIEUTENANT-COLONEL MULVANY BEFORE THE INDIAN JAILS COMMITTEE ON THE QUESTION OF THE TREATMENT OF STATE PRISONERS.

1185. ***Mr. K. C. Neogy:** (a) When was the attention of Government first drawn to the evidence of Lieutenant-Colonel Mulvany before the Indian Jails Committee on the question of the treatment of State prisoners, and the correspondence between the said officer and the Inspector-General of Prisons, Bengal, on the same subject?

(b) What action did Government take in the matter thereafter? Did Government make any inquiries into the truth or otherwise of Lieutenant-Colonel Mulvany's allegations?

LIEUTENANT-COLONEL MULVANY'S STATEMENT REGARDING THE TREATMENT OF STATE PRISONERS.

1186. ***Mr. K. C. Neogy:** (a) Is it a fact that, as stated by Lieutenant-Colonel Mulvany, the degree of confinement to which the State prisoners were to be subjected to was dictated by the police?

(b) Is it a fact that Bengal Regulation III of 1918 contemplates that the said degree of confinement is a matter to be determined by the Government of India, and not by any Local Government—far less the police?

NAMES OF STATE PRISONERS WHO WERE UNDER THE CHARGE OF LIEUTENANT-COLONEL MULVANY.

1187. ***Mr. K. C. Neogy:** Will Government be pleased to state the names of State prisoners who were under the charge of Lieutenant-Colonel Mulvany, or about whom the said officer had personal experience in his official capacity, prior to the statement made by him to the Indian Jails Committee?

The Honourable Sir Alexander Muddiman: I propose, Sir, with your permission, to reply to questions Nos. 1184 to 1187 in a single answer.

2. The evidence of the Jails Committee was not published because it was considered that publication would serve no public purpose and most of the evidence has been taken in public.

3. The attention of Government was particularly drawn to Lieutenant-Colonel Mulvany's evidence in July, 1921, some months after the decision not to publish the evidence generally had been reached. Government took no action in the matter.

4. Lieutenant-Colonel Mulvany's statement that he was informed that the degree of confinement was dictated by the police was based on the statement contained in a letter from the Inspector General of Jails to the effect that the degree of solitary confinement was dictated by the police need of separating State prisoners from each other as well as from other prisoners. As the Honourable Member is aware, the nature of the confinement of such prisoners is determined not by the police but by the Governor General in Council.

5. I am unable to give the names of the prisoners who were under Lieutenant-Colonel Mulvany's charge. The information is not immediately available and could only be obtained at a cost of much time and labour.

Diwan Bahadur T. Rangachariar: Have the Government taken any action against the officer who was responsible for manipulating these reports?

The Honourable Sir Alexander Muddiman: The officer in question has passed to a higher authority.

Diwan Bahadur T. Rangachariar: May I ask why no action was taken by the Government with reference to the statement made by Lieutenant-Colonel Mulvany?

The Honourable Sir Alexander Muddiman: Because, Sir, those statements were considered by the Jails Committee and were obviously not accepted by that Committee.

Diwan Bahadur T. Rangachariar: Did the Government consider the desirability of issuing instructions that such a procedure should not be adopted in future?

The Honourable Sir Alexander Muddiman: What procedure?

Diwan Bahadur T. Rangachariar: I mean instructions not to manipulate these reports for Simla consumption?

The Honourable Sir Alexander Muddiman: I am not aware why anybody should issue instructions that my officers should not manipulate reports. They are not in the habit of doing so.

Diwan Bahadur T. Rangachariar: But this is one instance.

The Honourable Sir Alexander Muddiman: I am certainly not prepared to issue instructions which indicate that officers of Government are in the habit of manipulating reports.

Mr. K. O. Neogy: Is it the case of Government that Colonel Mulvany made deliberate mis-statements before the Jails Committee?

The Honourable Sir Alexander Muddiman: Sir, this event happened some years ago and it is impossible for me to ascertain at this date what were the reasons which the Jails Committee had for disbelieving the evidence of this officer.

Mr. K. O. Neogy: Are there no records in the office of my Honourable friend to show what action Government took on the evidence of Colonel Mulvany?

The Honourable Sir Alexander Muddiman: I have already told the Honourable Member that the Government took no action because the evidence of the officer was not accepted by the Committee before whom he gave evidence.

Diwan Bahadur M. Ramachandra Rao: I would like to know whether there is anything in the Report of the Jails Committee to show that the statements of this gentleman have not been accepted.

The Honourable Sir Alexander Muddiman: Yes, Sir. If the Honourable Member will read the Report he will see that they have found that political prisoners were well treated.

Diwan Bahadur M. Ramachandra Rao: Was there any reference to the statement made by Colonel Mulvany?

The Honourable Sir Alexander Muddiman: The Report is a public document and is open to my Honourable friend as much as to me.

Diwan Bahadur M. Ramachandra Rao: May I inform the Honourable Member that, so far as I know, there is absolutely no reference to any statement by Colonel Mulvany?

The Honourable Sir Alexander Muddiman: I am obliged to the Honourable Member for the information.

Mr. B. Das: With reference to question No. 1186 regarding the degree of confinement of State prisoners and the treatment they receive, are Government aware that the Governments of Burma and Madras have both said that they are treating the State prisoners as they have been directed by the Government of India? And are Government aware that every Provincial Government so far has said that the ill-treatment of State prisoners is due to the rules and regulations framed by the Government of India and that the Government of India are solely responsible for that ill-treatment?

The Honourable Sir Alexander Muddiman: The Honourable Member evidently did not listen to my answer. I told him then that Regulation III prisoners are confined under the orders of the Governor General in Council.

Mr. K. O. Neogy: Is the position of the Honourable Member this, that the statement made by Colonel Mulvany to the effect that the degree of confinement with regard to State prisoners is dictated by the police, is untrue?

The Honourable Sir Alexander Muddiman: I have already given that information in my reply. I said there, if the Honourable Member heard it, that Lieutenant-Colonel Mulvany's statement that he was informed that the degree of confinement was dictated by the police was based on the statement contained in a letter from the Inspector General of Jails to the effect that the degree of solitary confinement was dictated by the police need of separating State prisoners from each other as well as from other prisoners. As the Honourable Member is aware, the nature of the confinement of such prisoners is determined not by the police but by the Governor General in Council.

Mr. K. O. Neogy: Am I to take it that the Honourable Member agrees that, so far as that particular point is concerned, Colonel Mulvany made a deliberate mis-statement?

The Honourable Sir Alexander Muddiman: I am not prepared to say that Colonel Mulvany made a deliberate mis-statement. He may have been misinformed as the Honourable Member appears to be on this matter.

Mr. B. Das: As regards the ill-treatment of State prisoners, do I take it that the Governor General in Council is responsible for the conduct of the subordinate officials of the Provincial Governments in ill-treating these State prisoners?

The Honourable Sir Alexander Muddiman: I do not quite follow the Honourable Member.

UNSTARRED QUESTIONS AND ANSWERS.

LITIGATION BETWEEN THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY AND RAI SAHIB CHANDRIKA PRASAD.

213. **Mr. K. C. Neogy:** (a) Are the Government aware that a litigation is being carried on by the Bombay, Baroda and Central India Railway Company against Rai Sahib Chandrika Prasad, an *ex-officer* of that Railway, over land upon which he has a house in the colony known as Jonesganj at Ajmer?

(b) Are the Government aware that before the litigation was commenced, the said Rai Sahib had asked the authorities of the Bombay, Baroda and Central India Railway Company to make a joint reference to the Government of India upon the dispute, but the Agent of the Railway Company did not agree to this course?

(c) Will the Government inquire and ascertain the amount of money the said Company has already incurred and the amount anticipated to be incurred in the said litigation?

(d) Do Government propose to consider whether in view of the interest involved, it is desirable to spend those sums of money out of the railway funds belonging to the Government?

The Honourable Sir Charles Innes: (a) Yes.

(b) Government have no information nor can the information be obtained as the papers are all filed in the Court.

(c) The expenditure incurred on the litigation up to 18th February 1926 amounted to Rs. 9,750. It is not possible yet to say what further expenditure is likely to be incurred.

(d) The Government understand that important principles are involved in this case.

PUBLICATION OF STATISTICS OF RAILWAY SERVANTS ON SALARIES ABOVE RS. 100 AND BELOW RS. 250.

214. **Mr. K. C. Neogy:** Will the Government publish statistics similar to those given in Appendix G to Vol. I of the Railway Board's Administration Report for 1924-25, giving the numbers of railway servants on salaries above one hundred rupees and below 250 per month employed on the Indian Railways?

The Honourable Sir Charles Innes: The Government are not satisfied that there is any real need for these additional statistics, the compilation of which would involve considerable time and labour.

THE GENERAL BUDGET—LIST OF DEMANDS—*contd.*

SECOND STAGE—*contd.*

Expenditure from Revenue—contd.

DEMAND NO. 19—OPIUM.

Mr. President: The House will now proceed to the consideration of the Budget, Part II, Second Stage.

The Honourable Sir Basil Blackett (Finance Member): Sir, I beg to move:

"That a sum not exceeding Rs. 1,52,96,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1927, in respect of 'Opium'."

Complete stoppage of Opium consumption in India with a substantial beginning this Year.

Dr. K. G. Lohokare (Bombay Central Division: Non-Muhammadan Rural): Sir, I move:

"That the Demand under the head 'Opium' be reduced by Rs. 30,00,000" with the view that consumption in India be stopped entirely with a substantial beginning this year. Last year, Sir, in the Supplementary Demands for Grants this House sanctioned an extra sum of 50 lakhs and it was then said that we had a bumper crop and that the extra amount was required for paying for the extra produce. The bumper crop was estimated to be about 28,000 maunds. From the statistics that I have here, the production of opium from each *bigha* ranges between 4 seers and 18 chittaks and 8 seers and 1 chittak. The average figure is somewhere about 4 seers and 3 chittaks; but if we calculate this additional produce, the average this year comes to above 6 seers. I am really doubtful, Sir, if a bumper crop can produce two-thirds of the extra quantity. There must be some error in calculation of the average area cultivated. Secondly, Sir, this excess can not be found accounted for in the surplus stock in the charge of the Government of India. The argument put forth is that provinces have taken up that extra produce. I should like to know why the provinces required this extra produce. Is it used for an extra local consumption or for some other purpose? Our policy, Sir, has been guided by the Geneva Protocol, by which the export, production and distribution of opium is to be controlled, and within five years the Government of India are bound to reduce it to such a point as would simply satisfy medicinal requirements in India. A beginning has to be made within five years with that object in view. We find from the speech of His Excellency in the Council of State that the Government of India propose actually to reduce the export while the question of production and distribution for local consumption is left alone. Sir, there is a saying in my vernacular:

*"Upadhyaché mulaché lanna karato pana
gharachú mulaga upashi thevato."*

That means that a man is ready to marry the son of a priest while his own son is starving. Some such principle is found here. We have been providing for the charitable purpose of the suppression of opium in other

[Dr. K. G. Lohokare.]

countries, while I am afraid we are not attending to our own local consumption and we even allow it to increase. If it was the honest intention of the Government of India to stick to the wording of the Protocol and to attach some importance to their signature on it, I think they should have undertaken the reduction of production as well as distribution in this country.

The Honourable Sir Basil Blackett: I should like to know what the Protocol has to do with the subject.

Dr. K. G. Lohokare: I am just coming to the point, Sir. It has a bearing. It means, therefore, that if we had stuck to that wording, we should have had a further reduction in expenditure on production this year. We are pledged to that wording and we must follow it accordingly. In the budget figures, I see that the demand put forward under payments to cultivators in the United Provinces is Rs. 93,06,000. In the budget estimate of 1925-26 the same amount was demanded, while we are told in the Standing Finance Committee's Report that the area under cultivation is brought down by 66,000 acres. That means that the area under cultivation is brought down by one-third. Where is the necessity of paying the cultivators the same amount then? If the area under cultivation is to be reduced, the amount of the produce will be reduced by one-third: therefore the price that has to be paid for the produce must be reduced by one-third. It is not going to be a bumper crop every year. Every year the opium poppy is not going to yield one and two-thirds of the usual yield. If Indian land is going to be so productive at the pleasure of this Department there is absolutely no need for a Royal Commission to inquire into the question of the improvement of agriculture. The Opium Department is fully competent to achieve the purpose. But there is, I fancy, something inside, Sir, and I do not know what it is. I am not in the confidence of the Government to know the actual figures, but it is the discrepancy that I want to point out. If the area under cultivation has been reduced, then what is the necessity of paying the full amount? That is the question. This year the expenditure actually must be two-thirds of Rs. 93,00,000, and that comes to 62 lakhs. I leave the question of a progressive further reduction of the area of production for this year aside, but I simply point out that one thing has been promised, I mean the area of production is to be lessened every year. If it is to be so reduced, taking the figures of acreage allowed last year only the amount to be given to cultivators for the price of opium must be less this year by 30 lakhs at least. I leave the question of policy to Dr. Datta. He will look into it, but we ought to have this reduction this year, and I think Government will justify their position by agreeing to this reduction of 30 lakhs. With these words, Sir, I move my motion.

The Honourable Sir Basil Blackett: Sir, I am sorry Dr. Lohokare refuses to accept the statement of fact that the yield of the area under cultivation for opium last year was so much per seer, because that is the actual fact, and it is no good arguing that it was not so.

Dr. K. G. Lohokare: Question.

The Honourable Sir Basil Blackett: I do not quite see how he can question it, unless perhaps I were to use this argument: "Dr. Lohokare is not so stupid as to say this; therefore, he did not say it." It is not for Dr. Lohokare to deny that.

Dr. K. G. Lohokare: Sir, may I draw the attention of the Chair to the use of the word "stupid"?

The Honourable Sir Basil Blackett: The main point that Dr. Lohokare has made I think is that we ought to provide less than Rs. 93 lakhs this year for payments to cultivators in the United Provinces for opium because we provided Rs. 93 lakhs last year. It is perfectly true that we provided Rs. 93 lakhs last year in the original estimate. Unfortunately we found that we had provided a good deal too little: we actually had to pay 1 crore and 40 lakhs. This year we have a very much smaller area under cultivation. It is not a question of the area going to be reduced: the area has been reduced. We have therefore a smaller area under cultivation and may reasonably hope that the crop that we have to pay for will be considerably smaller than the crop which we had to pay for last year. We have reduced our estimate therefore from 140 lakhs to 93 lakhs, which is a very considerable reduction. Dr. Lohokare has insisted on comparing it with the figure that we inserted last year in the Budget, but we found that for three years in succession we had provided much too little. We have had to come up with a Supplementary Demand in each year owing to the fact that the crop has turned out to be considerably larger than that which we had estimated for. We have not felt justified, therefore, in view of our experience of three years, in taking a lower estimate for the outturn of the crop than the figure that is taken in the estimates this year, that is, 93 lakhs, for the amount that we shall have to pay. It does not imply that there is any special additional consumption of opium. Dr. Lohokare asked why it was that the Local Governments had taken additional opium. The answer is that under a special arrangement as from the 1st April 1925 the Local Governments took over and paid for the stocks. It was a book-keeping transaction as between the Central Government and the Local Government.

Dr. K. G. Lohokare: It means there is an excess already.

The Honourable Sir Basil Blackett: It means that the stocks required for use in the treasuries are held now by the Local Governments instead of by the Central Government. It is merely a question of who actually holds these stocks.

Dr. K. G. Lohokare: In addition to the usual stock of the Government of India.

The Honourable Sir Basil Blackett: It has nothing to do with the stock of the Government of India. This is stock in the treasuries for the use of the Local Governments. The stock held by the Government of India was very much in excess of requirements. We have had for several years in succession much larger crops than we expected, and we have had a stock much larger than we required. That is one of the reasons which justified us in making a larger cut than we might otherwise have made in the area under cultivation. The existence of these stocks has nothing to do with any policy regarding consumption. The existence of these stocks is the

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result of the reduction of the area under cultivation. We have reduced that area in the hope that thereby we shall in course of time very considerably reduce the stocks. I do not know whether there are any other points that Dr. Lohokare wishes me to answer. I have tried to explain the meaning of our estimate, namely, that it is based on a higher outturn per acre of the area under cultivation than our estimates in previous years, because in previous years year after year we have found that our estimates have been much too low. That is all I have to say as regards the possibility of making this cut. We have got to pay the cultivators for the crop which they produce. We cannot tell at the present moment exactly what the crop will be. But if it is anything like the average

Dr. K. G. Lohokare: That means that the excess crop has covered the reduction of the acreage.

The Honourable Sir Basil Blackett: I do not follow the Honourable Member.

Dr. K. G. Lohokare: The excess crop has made up the deficiency in acreage and the total production is the same as last year.

The Honourable Sir Basil Blackett: The Honourable Member is again making a statement comparing the original Budget for the current year with the original Budget for 1926-27. Our experience of the last three years has been unfortunate. We provided far too little in our original Budget. Supposing the outturn is at the same rate as last year, the amount we should require would be something in excess of 98 lakhs, as against 148 lakhs last year. We have not allowed for such a large outturn as last year in which we had an especially high crop; the outturn was much higher than we had allowed in the original Budget of last year or the year before. Our experience of the last three years has been unhappy.

Mr. President: The question is:

“That the Demand under the head ‘Opium’ be reduced by Rs. 30,00,000.”

The motion was negatived.

Opium Policy of the Government of India.

Dr. S. K. Datta (Nominated: Indian Christians): Sir, I propose a small reduction of Rs. 100 to call attention to the opium policy of the Government of India. At the very outset I feel I ought to congratulate the Government of India on the bold step that they have taken in restriction of the export trade. Our debate of last year, I may say, was not wholly useless. I know it is an ungracious thing on the other hand to look a gift horse in the mouth. I think I will take the risk of doing that, not for the satisfaction of the Government Benches, but possibly for the satisfaction of those who believe in a theory of economic determinism. Sir, the interesting fact in regard to the cultivation of Indian opium has been the rise in the cost of production. Between the years 1913 and 1914 the cost of production of a chest of opium was Rs. 682. Between 1922 and 1923 the cost has risen to Rs. 1,270 a chest. In other words, the cost of manufacturing a chest of opium has more than doubled. What

are the reasons for this rise in price? The Government began to discover that they could not get the cultivator to grow the poppy on the old terms. That was a cardinal feature in the situation. Mr. C. D. Wild, the Opium Agent at Ghazipur, on 18th January, 1921, wrote:

"The season was again an unfortunate one for the crop . . . the yield was disappointing. This misfortune was accentuated as wheat, the chief competing crop, did not suffer and gave excellent results.

The thanks of the Department are due to Mr. H. Young and Pandit Champa Ram, Special Managers, Court of Wards, for their assistance in inducing the men on their estates to engage for poppy. Quite an appreciable area was obtained through their help."

I wonder whether these excellent gentlemen were remembered in the Honours List. We also find the Secretary to the Board of Revenue in the United Provinces, Mr. C. L. Alexander, writing on 3rd March, 1921:

"As the previous year had been an unfortunate one and cultivators were in need of money, it might have been expected that settlement would have been obtained without difficulty for the full area required; but the area fell short by 16·15 per cent. . . . an average return of Rs. 33·1 per bigha . . . falls very short of the profit obtainable for the cultivation of wheat, the competing crop . . . It is satisfactory that the price of opium has been raised again, and will in future be Rs. 15 per seer. The Board hope that this will lead to a fuller area being obtained next year."

The price given to the cultivator was raised from Rs. 7-8-0 to Rs. 15. But this factor must have had an immediate effect on the price of opium in the Far East, that is the Indian monopoly or non-monopoly opium in the Far East. There was another factor also at work in putting up the price of opium in the Far East, and that was exchange. If you consider the rates between India and Hongkong, it is clear 100 dollars equalled, in 1919, Rs. 215 and in 1920-21, Rs. 257. Then it dropped to Rs. 218, 181, 169-3/16 and in 1924-25 to Rs. 165-5/8. In other words, more dollars were required to purchase the same quantity of Indian opium and the price of Indian opium in the Far East was raised. There was also a third factor to which much attention was paid last year, though unfortunately the results were not considered. As I read the debates at the Geneva Conference, whenever China was mentioned the representative of the Indian Government passionately denounced the smuggling of Chinese opium into the other parts of the Far East. I did not then quite realise why there was so much heat in the controversy. Again in the proceedings at Geneva there was another thing to which my attention was directed. The representatives of certain European States referred to monopolies and high prices. The innuendo was that the British Government's determination on an opium monopoly was to ensure a high price and thus obtain a very substantial profit from the sale of Indian opium. What had happened was this. Chinese opium was getting round. The price of smuggled Chinese opium ruling was something like one-fourth or one-sixth of the price of Indian opium. The tendency of Indian prices had been upwards; the tendency of Chinese opium prices had been, on the other hand, downwards. In other words, the Indian Government was losing its Far Eastern trade. A few weeks ago (early this Session) I asked the Honourable the Finance Member for certain statistics. I asked him what amounts of opium were sold at the auction sales in Calcutta. In 1922, 2,790 chests were offered for sale and 2,500 were sold. In 1923, 3,150 chests were offered and 3,000 were sold. In 1924, 3,000 were offered and 2,240 were sold. In 1925, 3,000 were offered and 1,155 were sold. Now, the curve of sales of the Indian product, at least through auctions, has decreased.

The Honourable Sir Basil Blackett: Does the Honourable Member realise that is entirely because we were making direct agreements?

Dr. S. K. Datta: Direct agreements? The quantities thus sold have also dropped, and may I inquire why the amounts offered at the auctions remained almost constant?

The Honourable Sir Basil Blackett: We were cutting them.

Dr. S. K. Datta: There was also another factor in the situation which probably influenced the Indian Government in its decision not to continue this diminishing trade, and that was the possibility of a League of Nations Inquiry Committee. The League of Nations said they were going to send out a committee to see whether there was smuggling of opium in countries where opium is produced, and whether proper regulations are in force to prevent smuggling from those countries. Now, I do not know if that was a reason, but on looking into the facts I wonder whether that was not also a factor in the situation. However, the great thing has been achieved. We have at least been told that a complete extinction of the foreign traffic has been decided upon and that in itself is a tremendous gain and a step forward.

Now, Sir, I turn again to the debate held in this House a year ago. It centred round the internal consumption of opium. In that debate the Honourable the Finance Member used the following words which, to my mind at least, constitute a distinct pledge to this House. He said:

"But I can say for myself that my own view coincides entirely with that given by Mr. Cosgrave and I think that, unless strong reasons exist, which I do not know of, some kind of inquiry to review the conclusions of the Commission of 1923 may be very desirable. I see no objection to it. But I say I am not in a position to go further because we have not yet received the replies of the Local Governments."

Now, what has been done? On several occasions Members of this House have interpellated the Honourable the Finance Member regarding this inquiry into the internal consumption of opium in India. What has been the result? We have been told that the matter is still being considered, or the Local Governments were being consulted. On the 27th January of this year the Honourable the Finance Member said that the replies of the Local Governments to the reference of the Government of India regarding the consumption of opium in India have been received and are now under careful examination. He said that he was not in a position to make any further statement at present. I wonder how far these efforts have gone. In the month of May—I think it was two months after the debate in this House—I was told by the Secretary of the National Christian Council that he had addressed one of the Local Governments regarding this matter. He told the Local Government that the Honourable the Finance Member had made a particular statement in this House regarding a re-inquiry into the problem of the internal consumption of opium and he asked the Local Government what their attitude would be with regard to an inquiry of this kind, or rather he commended an inquiry of this kind to the Local Government. The reply of the Local Government was that they never heard about this debate and they did not know that the Honourable the Finance Member had made a statement regarding opium. They asked the Secretary of the National Christian Council to supply them with a copy of this debate. Now, Sir, I do not know how it happened. It may

perhaps be a mere accident. I would however like to know what has exactly been done and where do we stand with regard to this inquiry. What did we ask for last year? It was this:

“As examination of the general policy of Government which, so far, has been based on the Report of the Royal Commission on Opium of 1893 to 1895.”

Now, Sir, some points were put forward regarding the cultivation of opium crop under the system of advances. I have already read out some extracts from official documents regarding certain features of the cultivation of the opium crop. When we spoke last year on this subject, we referred the Government to the question of an inquiry into the problem of illicit traffic and I believe that I quoted what was then the evidence of the Excise Commissioner of the United Provinces Government which he gave before the Taxation Inquiry Committee. To-day we are also in possession of the Report of the Taxation Inquiry Committee. Their views are still more emphatic. With regard to the cultivation of opium they say:

“The cultivation of poppy, though now restricted in British India to a single province, is carried on there in as many as 29 districts. This large dispersal of it coupled with the enormous temptation to the smugglers which results from the high rates of duty makes it exceedingly difficult to ensure that all the opium is brought into the factories.”

This is what we suspected. They go on:

“And it seems to be desirable to secure a large concentration of cultivation even if this results in an increase in expenditure.”

We also referred last year to the illicit traffic from Malwa. I now ask Government whether it is a fact that the Excise Department of the Central India Agency was asked to report on this feature? If so, with what results? Has there been a report on this matter or not? Another feature of the illicit traffic is the enormous amount of opium that finds its way into the smoking dens of Calcutta. We are told, Sir, that opium is under a strict control. But I would ask the Honourable the Finance Member to visit an opium den in Calcutta when he next goes there and see how that strict control is being maintained. If you go to one of these Chinese clubs you will find people with their pipes, as also a boy who attends to them to whom they pay a sum of 8 annas for the “prepared opium”. The boy is constantly bringing in opium for them and thus they can go on for the whole night; an unlimited quantity of opium is evidently available in spite of the fact that its sale is supposed to be under restriction. This shows that there is need for a most searching inquiry. So much for the illicit traffic of opium.

Let us now turn to another feature of opium, as commented upon by the Royal Commission, namely, the medicinal uses of opium. We have been told that opium to the country at large is necessary for medicinal purposes. Last year it was pointed out in the debate that, as a matter of fact, the highest percentage of consumption of opium was in areas where medical relief was available and lowest in remote district areas. But evidence is accumulating and has been accumulating for the last 30 years as to the medicinal use of opium. The Royal Commission itself said that the matter ought to be investigated. Probably at the back of somebody's mind when that recommendation was drafted was the idea that certain scientific researches had been undertaken but the results were not then

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known. That was in 1895. But in 1898 the first researches of the Pasteur Institute became available to the public. In Metchnikoff's laboratory in the Pasteur Institute in Paris experiments were made by a number of scientists. The results of these experiments are highly interesting. They appeared in English in a book entitled "Immunity in Infectious Diseases" published by the Cambridge University Press:

"It is possible to immunize guinea pigs against cholera, unless treated with opium,"

The reason is perfectly clear. The narcotic effect on the phagocytes of opium retards their defensive functions. Here in India we have a confirmation of this from Sir Leonard Rogers, at one time Professor in the Calcutta Medical College. He is emphatic in his denunciations. He says that in cholera the retention of toxins formed by the cholera vibrio and resulting uraemia is often brought out by the use of opium. As to dysentery, malaria and kala-azar there is recent medical evidence incorporated in the report on *Opium in Assam* by Special Committee of the Indian National Congress which makes it clear that opium is useless in these conditions. This has been confirmed by eminent authorities such as Manson and others. With regard to malaria as far as I can see according to present day medical science, there is not an iota of evidence that it is either curative or a prophylactic. We also know that opium itself produces a peculiar kind of diarrhoea in opium eaters. In June of last year the Government of Assam made a public report on the opium position. The report was written in 1913, and the Committee was presided over by the Honourable Mr. Botham. In the report the following passage appears:

"Another garden in which large opium consumption and unhealthiness go hand in hand is the Namsing division of the Jaipur Tea Company. The Manager says, 'The garden is on the 'black list' and I put down the whole cause to opium'."

Opium, it is true, has a certain important value, but hardly any of those which were given to it by the Report of the Royal Commission of 1893.

The next point on which we seek investigation—and more and more evidence is being accumulated in regard to this—regards the effect of opium on children. We observe a very high infantile death rate in the city of Bombay. In the industrial areas in Bombay it was, in 1917, 410 per thousand, in 1918, 590 per thousand, in 1919, 552 per thousand, and in 1921, 667 per thousand. Take another industrial city, Ahmedabad. We have no figures for 1917-18, but in 1919 the death rate of infants under one year was 363 per thousand, in 1920, 360 per thousand and in 1921, 348 per thousand. We know that this higher death rate is not wholly caused by opium, but there is a considerable drugging of children with opium, and it is probably a contributive factor. This is another matter which we desire to see investigated.

Now, Sir, the Government of India, or rather the Local Governments of India are completely unable to make up their mind whether they should treat opium as they treat alcoholic liquor on the one hand or as a poison on the other, and this is demonstrated by the dilemma in which the responsible departments find themselves in. A few months ago the Bengal Government published in the *Calcutta Gazette* draft rules which they had made under the Indian Poisons Act, for the control of particular poisons. Under those rules, they classified poisons under three heads, Schedule A,

Schedule B and Schedule C. The most potent poisons were placed in Schedule A, the less potent in Schedule B and the least potent in Schedule C. Rules were made under Schedule A for the sale of drugs included in it. First these drugs must be sold by licensed chemists, secondly, if anyone purchases these drugs he must give his name and address, and possibly also sign the chemist's poisons register, or put his thumb mark. The particular bottle in which the drug is given out must have a particularly coloured label with the word "Poison". It must also bear the name of the chemist who dispensed it, and the chemist has discretion, if he does not know the person, to refuse to give the drug at all. Now classified with prussic acid and other potent poisons I find opium included. Opium and its derivatives were placed in Schedule A as being dangerous poisons. On the other hand the rules exclude "excise opium" which is exempted. A respectable person, that is to say, a person of intelligence and education, who knows what a poison is, is the sort of person who usually goes to a chemist shop and asks, say, for Chamberlain's Cough Cure, or for some more or less innocuous patent medicine with a minute quantity of opium in it. The precautions prescribed by Schedule A for the sale of these drugs are applied. On the other hand the ignorant labourer enters an excise shop and buys 3 tolas of opium, enough to poison himself and his whole family, but no such precautions are taken. Government will have to make up its mind whether they are going to consider opium as a poison or not.

Now, Sir, some time ago I asked questions of the Army Department with regard to the use of opium. The questions and the replies of the Army Department were as follows:

"(a) Are Government aware that during the late War opium was issued by the Supply and Transport to certain Indian personnel when on active service?"

(b) Is so, will Government state under what conditions was this done?"

(c) Will Government place the instructions permitting this practice on the table of the House?"

(d) Will Government state whether these instructions are still in force, and, if so, is Government prepared to abolish them?"

The answers to these questions were as follows:

"(a) Yes.

(b) It was supplied as a ration on payment to opium eaters only, at the rate of 20 grains a man per day.

(c) and (d). The issue of opium on the scale mentioned is provided for in the 'Supply and Transport Manual (War)'. These instructions are still in force, but the Manual is to be revised shortly, and the question will then be examined whether the issue of opium as a ration article on payment should be continued or not."

May I compare that with the practice of certain other European Powers who have possessions in the East. The Dutch will not admit to their military services any person addicted to opium. Indeed many medical officers themselves have held that the inclusion in the Indian Army of personnel who had formed the habit of eating opium was a very great mistake, and as a matter of fact such people on active service were of little use.

Now since the debate held in this House two very important documents have come into our hands. The first is the Taxation Committee's Report and the second is the Assam Congress Committee's Report on Opium. Now, Sir, what were the conclusions of the Taxation Committee? I do

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not know whether my friend Mr. Lohokare has read that Report. Here are some of the conclusions:

"(1) The Ghazipore Factory is carrying a stock which is out of all proportion to its present issues and which represents a very large lock-up of capital.

(2) In the second place a recommendation is made that future issues of opium should be in pill form for the following reasons:

(a) Less labour for the retailer.

(b) The pill form will protect the poor against adulteration;

(c) The large cakes in which opium is now supplied to the retailer is an aid to theft and hence illicit traffic."

The Report further recommends that there should be an equality of price, one rate of excise or monopoly price for continental India; we would thus be able to speak about "national opium". The Report further condemns the present auction system and says:

"On the other hand the steady pressure that is being exerted towards limitation of issues to those for medical use and the extension to Assam of the policy for registering consumers suggests the desirability of introducing something in the nature of official vend."

Now, Sir, what, may I ask, is to be the attitude of Government to these particular proposals?

The second important document is the Assam Congress Committee Report. One of the most valuable things that the Congress Committee's Report did was to republish extracts from the Botham Report, which the Government, after 12 years, made public last June. The Committee reported in 1913 but the Government has refused publication of that report until last year. Now the Botham Report says regarding the consumption of Opium in Assam:

"Among those who take opium only [non-medical], consumption in the form of smoking is almost universal to this extent that almost all smoke in the first instance and only take to other forms of consumption after they have become confirmed opium takers. . . . On this point the evidence is unanimous and conclusive.

Over the five districts, half would be a moderate estimate of the proportion of those now smoking to the total number of consumers."

I believe it was suggested even as late as last year to this House that opium smoking was unknown in India. Sir, the Congress Committee Report makes other statements. It seems that the original peoples of Assam are being affected in larger numbers, and that even the labour force in Assam, which is non-Assamese, itself is being affected. I am particularly interested in one community, a very fine Assamese community, the Khasis. I see from the evidence given by the representative of the Khasis in the Assam Council, the Reverend Mr. Roy,—a definite statement is given that the Khasis, this fine race of people, is becoming infected with the opium habit. Now, Sir, these are the points to which I directed attention last year and I have brought them forward again. I do not know what attitude the Local Governments are taking towards the problem, but I hold that this ought to be a matter of supreme concern. You will never get an effective opium policy until we have a united policy for all India, and until that is done, the problem cannot be solved. In all the world there is a rising tide of opium against the non-medical use of opium and legal restrictions against such use of opium are more stringent than ever before. Does the Indian Government mean to suggest such precautions

are useless? I pointed out in a debate in this House some time ago that the habit was known in England in the early nineteenth century. We are told for example about the industrial population of the County of Leicester in a Home Office Report that these people were too poor to go to church or to indulge in alcohol, and then we are informed that "the druggist is their publican; they buy opium for themselves and laudanum for their children." That was once the condition in industrial England, but with the passage of the Pharmacy Act of 1858 opium was classified as a poison, and no one was permitted to sell it except under a strict license. Thus opium as an intoxicant disappeared from England. All civilized countries impose restrictions on the sale of opium. We sometimes assert that it is necessary to the Indian people. I was in that comparatively prosperous Indian colony of Fiji. The Government of Fiji absolutely prohibit the use of opium by any one in the Island, including Indians. Further, even when facing new problems such as come to the British Empire, action has been taken against opium. I think of the work of that great administrator Sir Hugh Murray, Lieutenant-Governor of the Australian Colony of Papua off the north-east corner of Australia. Papua is a dependency of the Australian Commonwealth, the welfare of whose indigenous inhabitants has been undertaken by the Australian people. I have just read through the labour laws of Papua. One is impressed by the fact that administration is carried on in the spirit of trusteeship. Now, Sir, among the labour laws for Papua (I have a copy here, but shall not read extracts), I was reading that the sale to the natives of three kinds of articles are prohibited, alcohol, fire-arms and opium, except under permit. The law allows a permit for alcohol, the law may allow a permit for fire-arms, but there is no provision made for a permit for opium. Furthermore the law lays down that a native may not carry, even as a transport bearer, a consignment of opium from one part of the country to another. If a European firm consigns fire-arms, a native may transport the passage, but the law prevents the carriage of opium across the island by one of these people. Surely there must be something which has made nations all over the world take this drastic action against opium. Sir, life is cheap in India, very cheap, and I can quite understand the administrator being appalled by the problems which constantly arise. But the problem of opium does not stand out singly; it is intertwined with other problems such as the extension of medical relief in this country, the raising of the standards of the people. Sir, if this Executive Government has so far failed to rule by consent of the people, at least in this matter let them act as trustees and go forward, making their plans for the suppression of this traffic in opium. We ask nothing more than permission to co-operate with the Government in laying down a policy with regard to opium that will be satisfactory to all parties concerned.

The Honourable Sir Basil Blackett: Sir, Dr. Datta has given us a very interesting speech; I always listen with very great interest when he talks to us about opium. He has covered a great deal of ground and I do not propose to attempt to follow him. So far as export is concerned, we shall have a debate I hope very shortly, when the Resolution which is being brought forward by the Government of India in regard to the further restriction of our exports comes forward for the approval of this House. As regards that, I think Dr. Datta was extremely ungenerous and tried to invent out of his own mind all sorts of motives for the Government of India in bringing forward an action, the reasons for which are perfectly clear. They entered into an international engagement in 1912 and a further international engagement recently, and they have the choice between

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the course they now propose and that of exercising that international engagement in a way that will bring them somewhat unpleasantly into conflict with the policy of other Governments. They felt that they would have to set themselves up to some extent as examiners of the policies of other Governments or take some arbitrary course such as a complete reduction over a period of years. It is simply because of the international engagements that we have already entered into that we feel the time has come to take this further step. I am not prepared to say that it is going to have any effect in reducing the consumption of opium in the world, and it certainly is going to have the effect of reducing very considerably the revenues of the Government of India, but that is the position and when we come to that Resolution we can no doubt deal with that. So far as internal consumption is concerned, I am in this difficulty that in every one of the provinces except Assam, opium is a transferred subject, and I believe it will very shortly be a transferred subject in Assam. Most of the observations that were made by Dr. Datta therefore are observations to be dealt with by the individual Provincial Governments in the transferred departments. Last year when the debate took place on the subject of Opium I made a statement which I think Dr. Datta has misunderstood. I said:

“The Government recently circularised the Local Governments in regard to this question. Attention was drawn to some *prima facie* evidence which has been produced by some investigators of abuses of opium in various directions and the Local Governments have been asked to re-examine the question and to consider with the Government of India by what means, whether by some special inquiry or another Committee, the problem should be dealt with, if the Local Governments come to the conclusion that there is *prima facie* evidence making it desirable to review the conclusions of the Royal Commission of 1893.”

I went on to say that in my own opinion there was a good deal to be said, subject to that qualification, for an inquiry. Dr. Datta read my exact words. Now at that time, although the letters to the Local Governments had been sent out, we had not received their replies. The final reply was received at the end of last December. I have the file in front of me and there is an illuminating note on it, “Unfortunately this must now wait till April” because it is out of the question for the Government of India, with the Budget and the Session in front of them, to take up the subject. That is to say, we must take it up in April. I am bound to say, however, that the opinion of the Local Governments does not suggest that they think that there is any occasion for a new general inquiry. There is very little evidence before us which suggests that any general revision of the conclusions of the Report of the Royal Commission require reconsideration. The matter must however be examined by us as soon as we are free of the Budget Session and the Local Governments meanwhile have had their special attention drawn to the necessity for careful examination of the problem of opium in three special directions—the possibility of closer co-ordination of policy between Governments of adjacent Provinces in regard to the fixing of the sale price of opium; the necessity and possibility of taking special measures to prevent abuse where consumption is unusually high, of which definite examples have been given; and the practice of doping babies with opium. There is ample evidence to show that the Local Governments are fully alive to the whole subject. I am not however in a position to say what further steps the Government of India after consideration of these replies may decide to take; but I should say at once that

there does not seem to be any great probability of our coming to the conclusion that a new general inquiry is either desirable or necessary. The problem can much better be dealt with by the Local Governments themselves in the places where special attention is required. Dr. Datta always talks about this problem of opium as if it is a nation-wide evil in India. There are black spots here and there but the abuse of opium in India is, as I think I showed in my speech last year, very unusual. The Indian is always temperate; and though there may be a few cases where there is abuse, just as in the case of alcohol so in the case of opium, the evidence of abuse is extraordinarily small. I am quite prepared to admit that there are places in Assam where opium is a really serious evil and the Assamese Government are quite alive to that question, but we cannot I think usefully attempt to deal with the problem of an evil which is to a large extent local by the heavy machinery of an India-wide Committee or an India-wide attempt to deal with it. It is much more likely to be dealt with successfully by attention to the spots where the evil is really serious by the Local Governments that are in direct touch. The problem of course is one which has also to be considered in connection with the Report of the Taxation Inquiry Committee. Dr. Datta drew attention to the proposal that an attempt should be made to issue opium in pill form. We are experimenting with the possibilities in that direction. There are technical difficulties. I am not quite sure whether the form that it will take, if our experiments are successful, will be exactly a pill form but it will be something corresponding, and that undoubtedly would be a useful way of dealing with the problem. There is also the problem of the Malwa States. The smuggling of illicit opium from the Malwa States is mentioned constantly by all the Local Governments in their replies to the letter of the Government of India and specially those Local Governments who are neighbours of the Malwa States. I believe within a month there is to take place a special conference which one of the members of the Central Board of Revenue will be attending, to examine the position in the Malwa States with a view to seeing what steps can be taken to deal with the difficulties that have arisen there.

My general answer therefore to Dr. Datta must be that we are quite alive to the trouble, that we have every intention of following up the subject as soon as we are free of this Session of the Assembly, and that the Local Governments are themselves already actively engaged in dealing with the problem in the special places where the evil is marked, and that it is difficult in any case for the Government of India to intervene in a matter which is mainly a transferred subject in the Provinces. I trust that Dr. Datta will realise that he has served his purpose by moving this reduction and that he will be content to withdraw his motion on the understanding that we shall give full examination to the subject during the summer.

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): Sir, I will attempt to say a few things in connection with this subject. I am rather afraid the Government of India are being hustled in this matter by theorists and faddists. The Government of India have done their level best in my opinion to meet public opinion, and I do not think it is a matter which you can wipe off altogether in a day. So far as other countries are concerned, we owe a limited duty in that we cannot allow probably weak Governments to allow their subjects to abuse

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opium. Where the Government of India are satisfied that such Governments exist, the Government of India impose restrictions as regards the export of opium, and as regards other Governments, which can take care of themselves, the Government of India export opium only on a certificate. What more can the Government of India do as regards external consumption of opium? And as regards internal consumption, I recognise the duty of Government to put down all cases of abuse where it is indulged in and where it is likely to lead to trouble with or injure our own people. For that purpose I see the Assam Government have adopted recently in some areas the process of registering consumers and of restricting consumption or rather rationing the distribution. That seems to be an excellent method of bringing this vice under control. There are very many urgent things to attend to in our country. Finances are badly required. I am not one who would like to rob other people's virtues and thereby benefit ourselves at the cost of other nations. Far from it. That is not my intention. Let me not be misunderstood. At the same time, there is a limitation to our duties and in this matter and some other matters I am afraid the Government of India are yielding too rapidly to international pressure, largely due to purists and faddists. I commend the action of the Government of India as recently announced in the Council of State by Mr. McWatters. I think it was in September, 1925. I do not see what more the Government of India can do. They are doing their level best to control this vice.

***Diwan Bahadur M. Ramachandra Rao** (East Godavari and West Godavari *cum* Kistna: Non-Muhammadan Rural): I am surprised at the remarks made by my Honourable friend Diwan Bahadur Rangachariar. He is so thoroughly satisfied with the action of the Government on this question that he has thought it necessary to endorse all that has been said by Mr. McWatters in the Council of State. I am also deeply disappointed with the general answer which the Honourable Sir Basil Blackett has given to my friend Dr. Datta. The point that has been raised by this debate is this. The Government of India in conjunction with other Governments throughout the world have thought it necessary to enter into international engagements for the purpose of confining the use of opium to purely scientific and medical purposes.

The Honourable Sir Basil Blackett: No. Preventing the use of prepared opium.

Diwan Bahadur M. Ramachandra Rao: My friend wants to draw a distinction between prepared opium and unprepared opium. The question was discussed last year. Whether it is prepared opium or unprepared opium, the policy which international Governments have been adopting in these conferences at Geneva is that opium is one of those drugs, the uses of which must be strictly limited to scientific and medical purposes. The Honourable Member cannot at all deny that that is the position.

The Honourable Sir Basil Blackett: That is exactly what the Geneva Conference did not agree to.

Diwan Bahadur M. Ramachandra Rao: That is the position which every civilised Government has taken up in these international conferences.

*Speech not corrected by the Honourable Member.

The Government of India were represented at these conferences and it is true that they have taken a slightly different attitude in regard to this matter. But so far as the international obligations are concerned, it is recognised that the Government of India have entered into an agreement to carry out the policy of extinguishing the export of opium to other countries. They have accepted the policy adumbrated in these world conferences that opium is a drug, the evils of which should be strictly limited in the way attempted at these world conferences. That is the position which has arisen from the policy which His Excellency the Viceroy announced the other day and which the Honourable Sir Basil Blackett has accepted as a member of the Government.

The Honourable Sir Basil Blackett: That statement is quite different from the statement that we have agreed that opium should not be used for anything but scientific or medical purposes.

Diwan Bahadur M. Ramachandra Rao: The point raised by the motion under discussion is that the Government of India should have a policy in regard to the use of opium throughout the continent of India. That policy should as far as possible approximate to the policy which has been followed in regard to other countries by the international obligations with which India is concerned. That is the point which my friend Dr. Datta has raised. What is the policy which the Government of India have in regard to internal opium throughout the country?

The Honourable Sir Basil Blackett: To prevent the abuse of opium.

Diwan Bahadur M. Ramachandra Rao: That is the distinction between the Honourable Sir Basil Blackett and ourselves. He wants to moderate the use of the drug as in the case of alcohol; but we, on the other hand, wish to follow a different policy, namely, that opium should be regarded as a dangerous drug, the use of which should be strictly limited by both legislative action and administrative action, and that is a policy which having been accepted by the action of the Government of India in regard to their

The Honourable Sir Basil Blackett: It is not accepted for external policy.

Diwan Bahadur M. Ramachandra Rao: Then why should this export of opium be limited and extinguished? Will the Honourable Member tell us why we should not export opium to China, the Malay States and everywhere else and get as much revenue as possible?

The Honourable Sir Basil Blackett: Because we have entered into international agreements to try and prevent the abuse of opium.

Diwan Bahadur M. Ramachandra Rao: I venture to differ from my Honourable friend's interpretation, that every other country which has entered into international obligations has been trying to moderate the use of opium in those respective countries. That is not my reading of these proceedings. Whatever that may be, public opinion is in process of formation on this subject and if there is a sufficient volume of public opinion the Government of India should take steps to limit the use of opium to scientific and medical needs. I trust that that policy will be accepted by the Honourable Member. There are difficulties, I admit, in regard to the distribution of powers between the Local Governments in

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carrying out a uniform policy. It is true that the manufacture of opium is a Government of India subject, while the consumption of opium is a provincial subject and undoubtedly there are difficulties in this matter. What we desire is that there should be in this country, as in other countries, a continuous and progressive policy to put the same limitations on the use of this drug as is done in other countries. I am sorry that the Honourable Member has made no reference whatever to the very very reasonable proposals made in the Assam Inquiry Report. These are:

"(1) The sale of opium and its derivatives should be ultimately limited to the medical and scientific needs of Assam. (It is not intended that it should be immediately brought under control).

(2) Provision should be made for confirmed addicts above the age of forty, enabling them to procure a rationed amount of opium, their names being registered for that purpose.

(3) All opium addicts, who are under forty years of age should be dealt with as medical patients. Wherever opium is needed by them, it should be given only under the order of a fully qualified doctor, the medical permission to obtain it being subject to quarterly renewal.

(4) These changes should be carried out within the next five years. At the end of five years, opium should be placed on the list of poisons under a Dangerous Drugs Act, and treated as such for all inhabitants of Assam."

These recommendations are more or less in conformity with the action which has been taken by all other civilised Governments, and my Honourable friend Mr. Rangachariar says that these are the recommendations of theorists and faddists. I may say that this report has been compiled by very responsible persons. Some of them are Members of the Assam Legislative Council, well known public men like Mr. Andrews.

Diwan Bahadur T. Rangachariar: Government are doing their best.

Diwan Bahadur M. Ramachandra Rao: My Honourable friend is so completely satisfied that the Government are doing their best that it is impossible to convince him on this matter. What we are asking the Government to do is to follow a different policy.

Diwan Bahadur T. Rangachariar: Why don't you move the Local Governments?

Diwan Bahadur M. Ramachandra Rao: Well, Sir, my Honourable friend thinks that we ought to move the Local Governments. Of course the Local Governments always have an eye on their revenue and my Honourable friend would not deny that every Local Government is actuated by revenue considerations in pursuing a more forward policy either in regard to alcohol or opium. Even in that matter my friend will say, "Oh, they are all right."

Diwan Bahadur T. Rangachariar: I will not say that.

Diwan Bahadur M. Ramachandra Rao: I am glad to hear my friend will not go so far as to say that.

Diwan Bahadur T. Rangachariar: So far as the Government of India are concerned they are doing their level best.

Diwan Bahadur M. Ramachandra Rao: I am perfectly certain my friend will be a great support to the Government of India on occasions such as this. Well, Sir, I have no complaint against my Honourable friend for his view. But I have my view. I think, Sir, the time has come when the Government of India should consider the appointment of a committee to see whether a different policy in this matter should be pursued. I have no charges to make against the Government of India or the Local Governments. Their policy in the past has had its uses but the time has come when a different policy should be pursued. That is all that I am saying. If my Honourable friend thinks I am blaming the Government of India he is mistaken. All that I want to do is to persuade them to adopt a different policy, such as that advocated in this report.

Mr. President: The question is:

“That the Demand under the head ‘Opium’ be reduced by Rs. 100.”

The Assembly divided:

AYES—31.

Abul Kasem, Maulvi.
Ahmad Ali Khan, Mr.
Ahmed, Mr. K.
Aiyangar, Mr. K. Rama.
Alimuzzaman Chowdhry, Khan
Bahadur.
Chanda, Mr. Kamini Kumar.
Crawford, Colonel J. D.
Das, Mr. B.
Datta, Dr. S. K.
Deshmukh, Mr. R. M.
Dumasia, Mr. N. M.
Ghazanfar Ali Khan, Raja.
Ghose, Mr. S. C.
Ghulam Abbas, Sayyad.
Gidney, Lieut.-Colonel H. A. J.
Jeelani, Haji S. A. K.

Jinnah, Mr. M. A.
Joshi, Mr. N. M.
Lohokare, Dr. K. G.
Macphail, Rev. Dr. E. M.
Mahmood Schamnad Sahib Bahadur,
Mr.
Muhammad Ismail, Khan Bahadur
Saiyid.
Mutalik, Sardar V. N.
Neogy, Mr. K. C.
Pal, Mr. Bipin Chandra.
Ramachandra Rao, Diwan Bahadur M.
Reddi, Mr. K. Venkataramana.
Sadiq Hasan, Mr. S.
Talatuley, Mr. S. D.
Venkatapatiraju, Mr. B.
Yakub, Maulvi Muhammad.

NOES—42.

Aiyer, Sir P. S. Sivaswamy.
Akram Hussain, Prince A. M. M.
Bajpai, Mr. R. S.
Bhore, Mr. J. W.
Blackett, The Honourable Sir Basil.
Bray, Sir Denys.
Burdon, Mr. E.
Calvert, Mr. H.
Carey, Sir Willoughby.
Clow, Mr. A. G.
Cocke, Mr. H. G.
Dalal, Sardar B. A.
Donovan, Mr. J. T.
Gordon, Mr. R. G.
Gour, Sir Hari Singh.
Graham, Mr. L.
Hezlett, Mr. J.
Hudson, Mr. W. F.
Innes, The Honourable Sir Charles.
Jatar, Mr. K. S.
Lindsay, Sir Percy.
Lloyd, Mr. A. H.
Makan, Khan Sahib M. E.

Mitra, The Honourable Sir Bhupendra
Nath.
Muddiman, The Honourable Sir
Alexander.
Naidu, Rao Bahadur M. C.
Neave, Mr. E. R.
Owens, Lieut.-Col. F. C.
Rahman, Khan Bahadur A.
Raj Narain, Rai Bahadur.
Rangachariar, Diwan Bahadur T.
Rau, Mr. P. R.
Roffey, Mr. E. S.
Sams, Mr. H. A.
Sarda, Rai Sahib M. Harhilas.
Singh, Rai Bahadur S. N.
Stanvon, Colonel Sir Henry.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Ungar Singh Bedi, Baba.
Vernon, Mr. H. A. B.
Vijayaraghavacharyar, Sir
Tiruvalangadi.

The motion was negatived.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,52,96,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1927, in respect of 'Opium'."

The motion was adopted.

DEMAND NO. 20—STAMPS.

The Honourable Sir Basil Blackett: Sir, I beg to move:

"That a sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1927, in respect of 'Stamps'."

Increase in English Charges.

Sir P. S. Sivaswamy Aiyer (Madras: Nominated Non-Official): Sir, I beg to move:

"That the Demand under the head 'Stamps' be reduced by Rs. 100."

My object is simply to refer to the increase under the head of English charges in respect of Security Printing Press charges. I wish to know why the charges have increased and whether it is not possible to do away with this expenditure under the head of English charges.

Mr. A. H. Lloyd (Member, Central Board of Revenue): Sir, the answer to the Honourable Member's question is simple and I think will be satisfactory to him. I would in the first place point out that the budget estimate for 1926-27 refers to stores required for a full year's working, whereas in 1925-26 the factory was not completed until about the middle of the year, and naturally the amount of stores required was not so great. The principal item included in this figure is paper. The higher qualities of paper which we require for making stamps, stamp paper and so forth are not at present obtainable in India. They are not made in India. We have therefore to buy a large proportion of our requirements from the United Kingdom. There are other classes of paper in which India may possibly be able to compete now,—we certainly hope will be able to compete before very long. Indian firms will have their chance of competing under the protection of customs duty in consequence of the fact that like other Government Departments we pay customs duty on imported stores. Therefore the question of increasing the use of Indian-made paper will follow the same lines as it follows in connection with the much larger use of paper by the Department of Printing and Stationery. There is one other point I wish to make clear, and that is this, that the figure of Rs. 7,21,000 is admittedly a provisional figure. If we find that we can obtain paper more than we at present anticipate in India on suitable terms, on businesslike terms, we are prepared to contemplate the possibility of making an adjustment from this head, "H. 2(10), English Charges", to the head "H. 2(7), Stores"; and it is possible, though of course I cannot promise it, that when the revised figures for the year come on, it will be found that the English charges will be reduced and the Indian charges increased. I do not think I can say more, Sir.

Sir P. S. Sivaswamy Aiyer: I beg to ask leave to withdraw, Sir.

The motion was, by leave of the Assembly, withdrawn.

Mr. President: The question is :

“ That a sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1927, in respect of ‘ Stamps ’.”

The motion was adopted.

DEMAND No. 21—FOREST.

The Honourable Sir Basil Blackett: Sir, I beg to move :

“ That a sum not exceeding Rs. 8,69,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1927, in respect of ‘ Forest ’.”

Education in Forestry, etc.

Diwan Bahadur T. Rangachariar: Sir, with your permission I should like to move Nos. 40 and 41 on the List to reduce the provision under the sub-head II-BB-1 by Rs. 5 and the provision under the sub-head III-B-4.—Supplies and Services, and Contingencies by Rs. 5, because they bear on the same point more or less.

Mr. President: The Honourable Member may move both together.

Diwan Bahadur T. Rangachariar: Sir, I remember very well the discussion last year on the questions which I raised. The first question I should like to have information about is the progress of Indianisation in the Forest Service. We are all aware that under the Lee Commission Report 75 per cent. of new recruits should be Indians. I am obliged to raise this question here under this Department because the Departments do not furnish departmental reports for each year showing the progress of Indianisation which has been effected by each Department. I wish, Sir, that such a wholesome practice were introduced so that along with the Budget we may have a report from each Department showing what developments have taken place under various matters of that kind, and I should like to know what progress has been made since last year, in the last 12 months, in Indianisation both in the services and also in the officers of the Institute referred to at Dehra Dun,—because I attach the greatest importance to Indians being recruited to the officers' grade in the Research Institute at Dehra Dun so that Indians may have the opportunity of acquiring technical and scientific knowledge which I find very valuable in that Institute. The other matter I wish to know about is as regards the scheme for the new college which we find provided for under capital expenditure on extending the building or rather renovating the building and converting it for the purpose of training probationers. I may at once inform the Honourable Member, Mr. Bhore, that I have seen the proceedings of the Standing Finance Committee of the 11th February, 1926, where references are made to this scheme. I see that provision is made there for training 12 officers or 12 students as probationers in that Institute per annum. That includes not only the provincial services but also the men for the States also, and the accommodation, it is stated, in the college will be for about 24 students; and I see also some calculation made of the average annual cost of each student; it comes to about Rs. 3,000 I think for each student per annum. I want to know whether it is proposed to give scholarships to enable persons who cannot afford that payment; whether it is in the mind of the Government of India to offer scholarships to deserving probationers is a matter also which I should like to know. I also want to know whether the College will be open only to people who have already been

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entertained as probationers, or it will also be open to people who seek to enter that service at their own cost and whether there are any limitations as to admission by provinces, whether particular numbers are reserved for particular provinces, and all those things. I should like to have fuller particulars of that scheme. There is one other matter which I consider of the greatest importance: I should like to know when this institution will begin to function for the purposes intended, and whether adequate provision will be made in this college for training in all the branches of the subjects they have to learn for performing their duties. Sir, it is with these purposes in view that I have made these proposals. Sir, I move the motions standing in my name.

Mr. J. W. Bhore (Secretary, Department of Education, Health and Lands): Sir, I had hoped that the record of this Department would be quite sufficient to prevent any charge being levelled against it of indifference to the progress of Indianisation. Ever since the Lee Commission's proposals saw the light of day we have both in the spirit and in the letter endeavoured to keep to its recommendations in regard to recruitment. Since 1924, of the 23 officers recruited to the Indian Forest Service—I exclude for the moment Bombay and Burma who are masters in their own house—16 have been Indians and 7 have been Europeans. That, Sir, I think, ought to be sufficient to convince the Honourable Member that in the matter of Indianisation we are proceeding along the lines laid down by the Lee Commission. We cannot of course get the numbers each year exactly in the proportion laid down. We shall have to level up to the percentages recommended by the Lee Commission over a period of years. Then, Sir, I come to the more restricted question of the appointment of Indians to the staff at Dehra Dun. The House will realise that opportunities for Indianisation in a strictly limited staff must of necessity be also limited, but I do contend that we have definitely kept before us this goal of Indianisation, subject to two conditions. Those conditions are these, firstly we must maintain unimpaired the standards of our work which we cannot allow to deteriorate, and secondly, we can be no party to treating inequitably or overlooking the just claims of non-Indian officers of the Indian Forest Service. Knowing the House as I do, I feel absolutely certain that these qualifications of the general rule will be accepted by the House. I may say that the number of Indians in the superior controlling staff of the Institute has increased, and I think I can best show the progress of Indianisation by taking the vacancies the permanent vacancies, which have occurred during the year and showing the House how they have been filled up. There have been, as far as my information goes, three such vacancies in the posts of Forest Economist, silviculturist and chemist. Now, the first two of these posts were originally held by European officers and their successors are also Europeans and I think I can satisfy the House that the selections made were for good and sufficient reasons. These posts, Sir, require not only a very sound knowledge of Forestry and all connected branches, but also—and this is even more important—a very wide experience of Forest administration. Now, as the House knows, that experience and that knowledge can in the present circumstances only be sought in the ranks of the Forest service. There are practically no Indians in the senior ranks of this service. It was not until 1920 that Indians entered the service in any considerable numbers and the House will realise therefore that it must

be some years before Indian officers of sufficient seniority and experience are available for selection to these special posts. But when they are, the House may rest assured that they will have their chance. The third appointment was held by Dr. Simonsen. When he went we found that the institution really needed a Biochemist and we appointed an Indian, Dr. Sen, to that post.

Now, Sir, let me come to the special experts. The House knows that it has been our policy in practice to understudy these experts with Indian assistants and so far as I know there is not the slightest reason for anticipating that we shall depart from that policy. We shall as far as possible adhere to it. But, Sir, what I do want the House to realise is this, that these special posts which deal with very highly technical subjects require not merely men with special qualifications, but what is even more important, with very wide experience, and if therefore a young assistant, after two or three years as understudy, is still not found fully qualified to assume the headship and direction of these highly technical and specialised branches without further training, the House must not assume that we are departing from our policy. I think, Sir, so far as Indianisation is concerned, I have shown definitely what the policy of Government is, what we are doing and what we propose to do to carry it into effect.

Now, Sir, I come to the question of the new college and I am glad that my Honourable friend has given me the opportunity of saying something about this new institution, which we hope to inaugurate before the end of this year. Let me take the House back to the Resolution of 1922 which recommended that Indian Forest probationers should in future be trained at Dehra Dun as soon as facilities could be provided. I may say that we have done our very best to bring that scheme to fruition and I am glad to say that it is now complete. I hope very shortly to make available for publication full details in regard to the college, in regard to the condition of entry, the courses of study, the rates of fees, the facilities for accommodation, etc. As I shall make public, I hope, very shortly complete information on all points, I shall content myself now with a brief indication of the scope of the institution and shall also reply incidentally to one or two questions which my Honourable friend has put. Sir, we hope that this new institution will be a centre of instruction in the science of tropical forestry and its connected branches, which will be second to none in the world. With the magnificent Forest Research Institute at its doors, this institution will be in the position of being able to make its courses of instruction unique. We are also now, Sir, reaping the reward of many devoted years of service on the part of the Forest Department and we have now available in India the results of scientific forestry under tropical and sub-tropical conditions, which, I think, can not be equalled, and certainly can not be surpassed in any tropical country in the world. (Applause.) Now, Sir, working under these favourable conditions and with these advantages, we propose to see that our standards of instruction and of examination will be such that the diploma of this college will be regarded as the hall-mark of the highest efficiency in scientific Forestry.

Turning now to the questions of my Honourable friend, we hope, Sir, to open these courses in November. As regards the expenditure the only capital expenditure that will be necessary will be in order to render the existing accommodation suitable for the type and class of students whom we may reasonably expect to get. We do not anticipate that this will exceed Rs. 1,89,000 and provision for this amount has been made in the coming

[Mr J. W. Bhore.]

year. As regards the recurring expenditure, it is a little difficult to estimate with any exactness what the extra cost on this account will be. But I think I may say generally that if certain readjustments and rearrangements of staff under the Government of India, which are now under examination, are carried out, that the new institution should cost very little, if anything, over and above the actual recurring expenditure which is now being incurred.

Then, Sir, I come to the question of the classes of students who will be admitted. The college will be open first of all to Indian Forest probationers; it will also be open to private students, and to students sent either by Indian States or by Provincial Governments. We look forward to the time when this college will attract to itself students from all parts of the world interested in tropical forestry. My Honourable friend has referred to the cost of training. The cost as estimated is certainly somewhat high. We estimate it at Rs. 2,400 a year. But it must be remembered, Sir, that we are going to give a training which will be equal to that normally obtainable in any forestry school in Europe, and that being so, we cannot do it cheaper. But Rs. 2,400 includes not merely charge for tuition, it includes charges for accommodation, for light, water and certain other services; and taking into account the fact that the present charge for Rangers' courses at Dehra Dun is Rs. 1,500 and that for provincial forest men is Rs. 1,750, if we exclude Rs. 800 which is the rent for the rooms that these students will occupy, I do not think that the balance of Rs. 2,100 is excessive. Sir, I think I have now

1 P.M.

covered most of the points raised by my Honourable friend. As I have already said I propose to publish very full information on all points connected with the new institution, either in the form of a Resolution or in some other form which will be made available to the public.

Diwan Bahadur T. Rangachariar: Sir, I beg to withdraw my amendment.

The motion was, by leave of the Assembly, withdrawn.

Mr. President: The question is:

"That a sum not exceeding Rs. 8,69,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1927, in respect of 'Forest'."

The motion was adopted.

DEMAND NO. 22.—IRRIGATION (INCLUDING WORKING EXPENSES), NAVIGATION, EMBANKMENT AND DRAINAGE WORKS.

The Honourable Sir Basil Blackett: Sir, I beg to move:

"That a sum not exceeding Rs. 14,74,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1927, in respect of 'Irrigation, Navigation, Embankment and Drainage Works'."

Prevention of Floods and Famine.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I beg to move:

"That the Demand under the head 'Irrigation, Navigation, Embankment and Drainage Works' be reduced by Rs. 100."

Sir, in countries which have got their own national Government, irrigation, navigation, embankment and drainage works prevent floods and famines. Unfortunately, owing to the system of Government that we have under the management of the Treasury Benches opposite, these very heads are responsible for floods and famines in India. It is really an irony of fate that these heads should cause floods and famines in India. Sir, in the September Session of 1924, I had the privilege to move a Resolution in this House drawing the attention of Government to the serious effects of floods in causing distress all over India owing to impediments of irrigation and railway embankments. At that time, the then Industries Member, Sir Atul Chandra Chatterjee, and also the Chief Commissioner for Railways, Sir Clement Hindley, assured the House that they would make inquiries and find out how this irrigation, railway embankments and other embankments are causing distress, floods and famines in the country and how the causes of floods could be prevented.

The Honourable Sir Bhupendra Nath Mitra (Member for Industries and Labour): On a point of order, Sir, I want to know how the remarks which the Honourable Member is making affect the grant which we are now discussing. Apparently he wants to raise a question of policy.

Mr. B. Das: Sir, my motion slightly touches the question of policy, but I am just trying to put the grievances of the country before the House. Since then, Sir, I and my friend Mr. Gaya Prasad Singh asked a few questions on the floor of the House as to the nature of the inquiry that the Government of India had made and also the replies received from various Provincial Governments. It appeared from one of the answers which the Honourable the Industries Member gave that only one Provincial Government thought it fit to communicate with the Government of India on this subject. The other Local Governments, secure as they are in their bureaucratic positions, did not bother about writing to the Government of India. They did not think it fit to write to the Government of India as to what are the causes of famines and floods in their provinces and whether there is a need for an inquiry in the country, and whether there is need for co-ordination of work amongst the different Provincial Governments to prevent these floods and famines.

Sir, I am particularly strengthened in my purpose in bringing this subject again before this House because of the recent action taken by the Government of India in appointing a Royal Commission on Agriculture. Sir, agriculture is a transferred subject and all the money realized on account of land revenue goes to the provinces. Yet the Government of India communicated with the different Provincial Governments with a view to improving the condition of agriculturists. Of course, we do not know the replies that the Provincial Governments gave to the Government of India in the matter of the appointment of this Agricultural Commission. It is a pity, Sir, that the subject which I am raising now does not form part of the terms of reference of the Royal Commission on Agriculture. Sir, I do not want to touch upon other points,—the grievances of agriculturists that might have been included in that inquiry,—namely, the system of land revenue and the assessment which the agriculturist pays. But what the teeming millions of India suffer most from is the distress due to the floods, which have been a recurring phenomena due to irrigation, railway and road embankments with which the country is intersected.

[Mr. B. Das.]

Sir, I will just illustrate the distress of the people by referring to my own province, namely, the Province of Orissa. Floods are of regular occurrence in my province. They come every year and, as famine is always the natural effect of floods, the people of Orissa are always suffering from famine. They are always in distress. Those who have watched the newspapers this year ought to know how passionately Mr. C. F. Andrews and other leaders appealed on behalf of the suffering people of Orissa owing to the severe distress that has been caused there. This distress in Orissa is not due to the irrigation and embankments, although in one part of a district—Cuttack District—it was due to that. In the District of Puri it was due to the bad system of drainage that had been provided. I say that it is one of the duties of the Imperial Government as well as of the Provincial Governments to provide proper drainage for the waterways of India so that the water collected during the rainy season may find an outlet to the sea and thus enable the cultivators to reap a good harvest. But the policy both of the Central and Provincial Governments is to collect taxes, whether they are from land cess or customs or the hateful exise and to spend them. Have they ever thought of improving the condition of the masses? It may be contended that Irrigation is a transferred subject, but it is a fact also that it is a subject on the reserved side of the Provincial Governments. What are the steps taken by Provincial Governments for the improvement of the conditions of the people? They collect their irrigation cesses. They collect other taxes too. Talking of my own province, the Government of Bihar and Orissa just collects 40 per cent. of its revenue, 2 crores out of a revenue of 5 crores from excise duty alone. What do they care if the people suffer and die? The people can drink more drugs and provide more money for the Government to spend. So it cannot be contended from the Government side that the Provincial Governments ought to be held responsible for preventing the progress of floods and famine in the provinces. It is the Central Government that ought to insist on the Provincial Governments giving their views on this vital issue.

I remember, in 1925 January, I asked a question on this matter and my Honourable friend, Sir Bhupendra Nath Mitra, said that the Government of India have got several technical experts who are quite capable of giving advice to the Government of India and to the Provincial Governments on this vital matter. I do not know who they are. I have never seen in any agricultural journals or in any Government publications the valuable expert work they have done, the research they have carried out, to provide India with proper drainage of the waterways of India, and whether they have written any thesis how to prevent floods and famines in India. It is no use saying that the provinces are responsible for these floods. There may be a time when, owing to Providence, there are heavy downpours of rain, but the cause of floods and famines all over India is the lack of proper and adequate drainage outlets for nature's waterways. I ask you, what is your policy? Whenever you want, you thrust on us Royal Commissions and Committees which we never want. We have never wanted a Royal Commission on Agriculture so limited in its purpose and so narrow in its scope of inquiry and which will be just an academic inquiry, doing no work to bring no relief to the masses. If you really want to do good to the people, which you at times profess—you may laugh at us now because the House on this side is empty and we cannot

enforce our will on you, you may not reply to these vital questions on the floor of the House,—but if you really think as the executive of the Government you are spending the tax-payer's money and do look after the taxpayers' interests, it is your primary duty to look to the welfare of the masses, the teeming millions of India who are agriculturists. What have you done to prevent floods, famine and the effects of these famines and floods namely, cholera, malaria and other epidemic scourges. You have done nothing; still you may shirk your responsibilities and say that it is the work of the Provincial Governments and not the work of the Royal Commission on Agriculture. You may say that no Commission or Committee can be appointed to make an expert inquiry as to how floods can be prevented. I recollect Sir Atul Chandra Chatterjee at Simla said that it will take 25 years to make an inquiry and an expert committee is not necessary, but Government will do their very best to find out how they can take any action to prevent floods. I ask the Government of India to tell us on the floor of this House what they have done. It is no use shirking responsibility and laying the blame on one department or one Provincial Government or the other. You have not transferred any authority to the Provincial Governments, and what after all are these Provincial Governments? If there were provincial autonomy in the provinces which would enable the local Legislative Councils to enforce their will on those Governments it would be a different thing. But it is the Central Government who are pulling the wires from here. You are tutoring Provincial Governments and they are nothing but handmaids of the Central Government who are collecting as many taxes as they can and spending the money just as they like.

I appeal to the Honourable Sir Bhupendra Nath Mitra. I am glad, Sir, that I will receive a reply from the mouth of an Indian who may have visited the masses in the villages—if the arduous work which he has done throughout his life may have allowed him time to visit these villages. As a Bengali he knows how the people are thin and lean in his province, how malaria has wrecked the people of Bengal. It is because there is no proper drainage outlet provided for rain water in Bengal. Bengal is always water-logged and she suffers acutely from malaria. He may remember the floods that happened in northern Bengal a few years ago, when the Brahmaputra Valley was flooded. I refer to the Khulna floods and the distress of the people in consequence of those floods. I hope before he rises he will picture in his mind those malaria-stricken Bengalis who are dying in thousands. If he has visited my part of the province he knows how the people are starving and dying like rats owing to the effect of floods and consequent epidemics. I hope he will reply from that point of view with sympathy and not in the mighty tone of a great bureaucrat, sitting on the Treasury Bench, whence he can very well say "You be damned".

The Honourable Sir Bhupendra Nath Mitra: Sir, I am rather amused to find that my Honourable friend, Mr. B. Das, has made the vote for this grant, which really relates to the North-West Frontier Province and certain other tracts under the direct control of the Government of India, a peg on which to hang his beautiful dissertation. Now, Sir, he began by saying that these floods are special to India. My recollection is that only a few months back England and the whole of North Europe was flooded and badly flooded.

Mr. B. Das: But there is no famine in England.

The Honourable Sir Bhupendra Nath Mitra: I am not sure of what the Honourable Member means when he talks of famine unless he is referring to famine supervening a flood. Otherwise, our activities in the Irrigation Department in the matter of building canals have been so successful that we have practically had no big famine for the last five or six years. I fail to understand the Honourable Member's reference to famine, unless he is referring to the famine which is said to have occurred in Orissa as the result of floods.

The Honourable Member then referred to a debate which took place on the floor of this House on the 24th September, 1924; and in that connection he insinuated that if the absent Members were here, the Government might have fared badly on the present occasion. Let me see how the Government fared on that occasion. It was a full debate in which Sir Clement Hindley explained the position at length; and thereafter I find a speech from my friend, Diwan Bahadur Ramachandra Rao. I shall quote a little from that:

"In regard to the first of these departments (that is the Public Works Department), I believe it is clear that irrigation is a provincial subject, and to the extent that floods are caused by deficiency of proper drainage arrangements, this matter is within the sphere of the local administrations, but to the extent to which floods are caused by defects of railway embankments, it seems to me that it is essentially the duty of the Government of India to take measures to prevent them."

The Resolution was eventually withdrawn.

All that my predecessor said on that occasion was this:

"I would add this much, that we shall communicate with Local Governments."

He did not say: "We shall have a committee or a consultation with the Local Governments". He went on to say:

"We do not disclaim responsibility for any damage that may have been occasioned by railway embankments. If we suggest that the Local Government should first move in the matter, it is not in order to disclaim responsibility on the part of the Government of India in cases where damage has been occasioned by railways."

Further on, he said:

"I think we have given enough assurances to satisfy the House that the matter is receiving the attention of the Government and will continue to engage the attention of the Central Government in consultation with Provincial Governments."

That is all he said and from the portion of his speech which I have quoted it is clear he referred particularly to railway embankments.

Mr. B. Das: And also to irrigation.

The Honourable Sir Bhupendra Nath Mitra: I am not sure about irrigation; I cannot find it there. Will my Honourable friend kindly quote what Sir Atul Chatterjee said as regards irrigation? As my Honourable friend Mr. Ramachandra Rao admitted on that occasion, so far as irrigation is concerned, it is the concern of the Local Governments.

Diwan Bahadur M. Ramachandra Rao: Under the control of the Government of India.

The Honourable Sir Bhupendra Nath Mitra: That is perfectly true, but it is primarily the concern of the Local Governments. The Government of India wrote round to the Provincial Governments; and as I have already informed my Honourable friend Mr. B. Das on the floor of this House, they

told the Provincial Governments that while flood protection and prevention were primarily provincial matters, the Government of India were prepared, in view of the importance of the subject, to assist the Local Governments to the utmost extent of their powers, firstly wherever there was reason to believe that excessive floods were due to central works on the railways, secondly where assistance was required to obtain co-ordination between a railway and the local authorities or between two provinces, and thirdly in any case where technical advice was required which was not available locally. Now, Sir, up to now we have received no request for assistance from Local Governments, though we know that in the case of certain railway embankments which may have facilitated floods, the matter has been settled by the Local Government in direct consultation with the railway authorities. On several occasions on the floor of this House, either my predecessor or myself or probably Sir Charles Innes has given instances where, in connection with railway embankments, additional waterways have been constructed with reference to complaints received from Provincial Governments. Anyhow, this is not a vote on which I can discuss the question of railway embankments. I am concerned here with irrigation embankments; and, as I have said, that is essentially a provincial matter, and if any Provincial Government wants our help, we have already told them that that assistance will be given. Now, the Honourable Member referred to Orissa. I wonder if the Honourable Member has read the very full debate which took place in the Bihar and Orissa Council in connection with the floods in Orissa. So far as I can make out, those floods had no connection with irrigation embankments.

Mr. B. Das: But they had to provide waterways.

The Honourable Sir Bhupendra Nath Mitra: I am coming to that; I believe they are taking action to provide drainage works, and according to them they have always taken that action.

Mr. B. Das: May I point out that the Bihar Government provided two lakhs of rupees after 20 or 30 years of agitation, and after the mouth of the Chilka Lake silted up. It has been the subject of agitation by the people of Orissa for years and years.

The Honourable Sir Bhupendra Nath Mitra: I cannot here discuss what happened in Orissa because that is essentially a matter for the Legislative Council of Bihar and Orissa and the matter was very fully discussed in that Council. In fact, the speech of the Honourable Mr. Hammond in that connection brings out very clearly the fact that these floods in Orissa are not matters of recent occurrence; they have occurred even from the early days of the British occupation, and probably long before that. Apparently, engineers—as well qualified probably as my friend Mr. Das—took certain action to relieve the situation. They constructed what are known as flood embankments; but these flood embankments often have the opposite effect to that wanted and they lead to the silting up of the river and the formation of sand bars at the mouth of the river. Anyhow, it seems that in 1902 the Local Government had the matter further examined by a committee of engineers. I may mention that throughout I am giving the information which I have been able to glean from the speeches in the debate in the Bihar and Orissa Council in which their policy is fully explained. Apparently it may be possible to some extent to relieve the situation by getting rid of the present embankments. They are not

[Sir Bhupendra Nath Mitra.]

road embankments, or canal embankments; they are flood embankments. But the result would be immediate danger and therefore the Local Government cannot do that immediately. Anyhow it is not a matter which is in any way connected with this particular grant or a matter in which the Central Government can intervene at this stage.

Mr. B. Das: May I just ask the Honourable Member why he cannot include it in the terms of reference of the Agricultural Commission if he cannot appoint a special committee to inquire into the causes of floods in India?

The Honourable Sir Bhupendra Nath Mitra: How does that, Sir, arise in connection with the present Demand? If the Honourable Member wants to raise that question he will be able to debate it when we are discussing the vote for the Royal Commission on Agriculture.

Mr. B. Das: Is that all the sympathy we get from that side of the House?

The Honourable Sir Bhupendra Nath Mitra: I submit, Sir, it is the more businesslike way. When we are discussing the irrigation grant how can we drag in all sorts of things?

Mr. President: The question is:

"That the Demand under the head 'Irrigation, Navigation, Embankment and Drainage Works' be reduced by Rs. 100."

The motion was negatived.

Mr. President: The question is:

"That a sum not exceeding Rs. 14,74,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1927, in respect of 'Irrigation, Navigation, Embankment and Drainage Works'."

The motion was adopted.

DEMAND NO. 23.—INDIAN POSTAL AND TELEGRAPH DEPARTMENT.

The Honourable Sir Basil Blackett: Sir, I beg to move:

"That a sum not exceeding Rs. 10,29,48,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1927, in respect of the 'Indian Postal and Telegraph Department'."

Reduction of Postal Rates.

Mr. K. Rama Aiyangar (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Sir, I beg to move:

"That the Demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 50,00,000."

Sir, this relates to one of the very important subjects which occupied the attention of the House on the 9th of February last. In fact the question was mainly raised for the reduction of postal rates for postcards and letters. The present motion that I have moved I propose to deal with in detail so that I can prove to the satisfaction of the House that the recommendation that I make is quite feasible and there cannot be any difficulty in carrying it out. I therefore want Honourable Members closely to follow what I

place before the House so that the important reform, the reduction in taxation that I propose to carry out, may not be in any way interfered with by any want of attention on the part of the House. I know the Honourable Sir Basil Blackett in his budget speech has devoted a long paragraph and more to this subject. Apparently that was meant to deal with the subject as the opinion of the House was found to be very much in favour of reducing taxation. It is therefore all the more important that he and the Honourable Member in charge of the Department should take full note of the feeling of the House and also see if there is really any difficulty in carrying out the recommendation that I make. I will at once say, Sir, I am placing this recommendation before the House without giving the least chance of any argument being put forward by the other side that the provision being for immediate use next year it cannot be cut for one reason or another. Honourable Members will see if they turn to page 11 of the Posts and Telegraphs Budget that the actuals for the year 1924-25 amounted to 941 lakhs. That is there at page 11. The revised estimate for 1925-26, that is, the current year, is put there at 996 lakhs, and the estimate for next year is put at 1,067 lakhs. What I want to put first before the House is that the proposed provision is 126 lakhs more than the actuals of 1924-25 and is 72 lakhs more than the revised estimate for the current year; so that Honourable Members will see that when I want 50 lakhs to be cut out it will not affect at all the administration in any way. It is the extra provision that is sought to be made that I seek to cut out, and even there I allow 22 lakhs extra for certain provisions which have been passed by the Standing Finance Committee at the instance of the Department. In fact, certain revisions in establishment, in the scale of allowances and also in the conveniences to be provided for the menial staff—have all been considered by that Committee and in this present motion that I place before the House I make sufficient allowance for all that provision being made. So that, *prima facie*, Honourable Members will see that this 50 lakhs is only extra provision made for expenditure next year over and above, as I say, the necessary things which have been accepted by the Standing Finance Committee; so nothing will be lost, no difficulty will be caused to the Department, if this 50 lakhs is cut out. But at the same time I must also point out that if you refer to the recommendations of the Retrenchment Committee, you find that inclusive of interest, which was then charged at 66 lakhs,—now it is taken as 57 lakhs for next year—in spite of that the total expenditure for the Department which they recommended was 882 lakhs. So that compared with what was recommended by the Retrenchment Committee we have got already in 1924-25, an extra expenditure of about 60 lakhs, and there is over the actuals of 1924-25 another 126 lakhs provided for next year. So that Honourable Members will see that there too there is a much wider scope than the 50 lakhs cut that I am asking for. This is only roughly placing the case before the House. But if you go into a little more detail it will be very easy to understand that this is what must be effected, the least that must be effected, in the course of the next year on the recommendations which are receiving consideration at the hands of the Government. I refer to the recommendations of the Departmental Committee which was appointed last year—I mean the Ryan Committee. After the question was mooted in the Public Accounts Committee a special departmental committee was appointed. The members of the Committee were not ordinary persons who have not worked in the Department. The present

[Mr. K. Rama Aiyangar.]

Director General of Posts and Telegraphs, I mean Mr. Roy, who is unfortunately not here to-day, was one of the members of that Committee and the Financial Commissioner for the Posts and Telegraph Department was also one of the members of that Committee, and another experienced officer also. That Committee recommended, as Honourable Members will see at page 67 of that Committee's Report, practically in the course of that year a 21·21 lakhs cut in terms of rupees, annas, pies. That is what they say under five heads (a), (b), (c), (d), and (e).

	Rs.
(a) By merging the Railway Mail Service circles in those of certain Postmasters General	31,000
(b) By substituting a cheaper class of Railway Mail Service sorters	7,70,000
(c) By revising the ratio of general to station service telegraphists	11,80,000
(d) By substituting clerical for telegraphist staff for the execution of certain duties	1,40,000
(e) By undertaking the departmental charge of ordinary repairs and maintenance of buildings	50,000
Total	21,21,000

So that the total cut as I said specifically mentioned amounted to Rs. 21,21,000. Besides this, Sir, they say :

"While this annual saving, of the order of 20 lakhs of rupees, alone may turn the balance between profit and loss in the accounts of the department, much more would be saved by the adoption of the Committee's further recommendations, to which however not even approximate figures can readily be attached, under such heads as

(f) a revision of the cadre of Superintendents of Post Offices on the basis of a review of their territorial charges;

(g) the further replacement of departmental telegraph offices by combined offices;

(h) a revision of staff on the basis of a more reasonable standard of output by telegraphists;

(i) a revision of the conditions which at present make for an excessive absenteeism, as a result of which the department bears heavy charges for staff who produce no results."

These are the four heads under which they have recommended reforms without making actual calculations of the effect of those reforms. Sir, I have taken some trouble to calculate the effect of these recommendations and come to some conclusion as to what the amount saved will be. I will give it to the Department to examine, but I have no doubt, Sir, that this will be the amount they will arrive at on making the calculation. I find that one of these recommendations refers to further replacement of departmental telegraph offices by combined offices. I find that 4 telegraphists will be the average for about 90 offices that might be so converted and the amount that is available like that is about Rs. 4,82,000, to which must be added the leave reserve and the allowances, and the total of all this comes to about 7 lakhs per annum. Then according as you remove the number of telegraphists to the other grade they come under Post office supervision and therefore telegraph masters who are counted as 1 for every 9 telegraphists will have to be shifted to other appointments and the amount of that comes to about 47 telegraph masters at average rate of Rs. 850, which works out for the whole, inclusive of allowances, house rent, etc., to about 2 lakhs; so that in all about 8 lakhs will be the saving under that head. Then the second calculation comes up on the revision

of staff on the basis of a more reasonable standard of output by telegraphists. The improved mechanism available in the Telegraph Department has enabled this expert committee to recommend a rate of 47,000 operations per telegraphist as against 42,000 which was taken as the standard by the Retrenchment Committee. This 47,000 rate has not, I understand, been conformed to by the Government. I do not know why. When that expert committee makes the recommendation it ought to have been followed without any difficulty by the Government of India. Apparently expertness follows the position and the Government have chosen to accept only 45,000 operations as feasible. I am not at all able to follow the reasoning which enabled the Government of India to go behind the recommendations of the committee; but even taking it at that I find that there are about 240 more telegraphists in the department than are necessary for the total number of operations that are being performed by the Department according to the figures of 1924-25, and that year was one of the prosperous years when we had everywhere much better income than was anticipated. 240 telegraphists according to the average pay including in it the telegraph masters who will be unnecessary and all incidental expenses cost 7 lakhs on the calculations I have made. There is one other item, item No. 1 which refers to the revision of the cadre of Superintendents of Post Offices. I find this matter is discussed in paragraph 47 of the Report and taking the numbers referred to in that paragraph I find that it will be possible to reduce the number of Superintendents by readjustment because the head station post masters are asked to supervise the local area and the consequent effect will be that there will be a 33 per cent. reduction of the total number of Superintendents. The recommendation has, I think, practically been accepted by the Government also. They are trying to give effect to it. According to my calculation it will come to Rs. 2½ lakhs for the pay of 33 per cent. of the staff together with allowances and other contingencies, which will work up to 3 lakhs. So that, the recommendations of the Ryan Committee enable us to cut out in the course of next year about 39 lakhs. Government have, in their reply to my interpellation on the 28th January, 1926, printed in Volume 7, No. 6, on pages 411 to 415, given details of the recommendations to which effect has been given so far, the objections raised and so on; and they say that consideration is being given to all the various subjects. The Honourable Mr. Roy was one of the members of the Committee. The Financial Commissioner is there—Mr. Sams also. If you take the minority report of Mr. Roy, the expenditure will have to be reduced much more. I will refer to that in connection with other motions. So far as this motion is concerned I am prepared to take the recommendations of the majority and on that, as I said, it works out to 39 lakhs of rupees, which must be the reduction which the Government will be able to give effect to in the course of the year.

I will only place two other matters before the House for its consideration. Honourable Members will find on page 11 there is a provision made for interest charges and there is a provision made for depreciation. The provision made for depreciation is 33 lakhs or 32-91 to be more accurate. Then we take 33 lakhs as the amount provided for depreciation. Then for interest the amount provided is 57 lakhs, though it was 68 lakhs in 1924-25. It is only 49 in the revised estimate and next year it is put at 57 lakhs. I submit that here a clear point has to be made. There is another matter that I shall refer to. It is a great injustice that the money

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available for the Post and Telegraph Department should be diverted or frittered away and people made to pay extra charges for various heads. It may be argued that there is no money for the Postal Department and that therefore extra taxation should be put on. That being so, I would refer to the Revenue and Finance Accounts of the Government of India for 1924-25. We find there an abstract account of the capital outlay in the Post and Telegraph Department up to the end of 1925. Honourable Members will see that the total of the capital that has been sunk on the Department works out to 23 crores 71 lakhs but the capital outlay charged to revenue accounts is 20 crores 31 lakhs and the actual outlay not charged to revenue is only 340 lakhs. Even if you take the interest on 340 lakhs at 5½ per cent., which is the highest interest at which money is borrowed—it may in the present circumstances even be less in the circumstances mentioned by the Finance Member in his budget speech—the amount will be not more than 18 lakhs but the amount we take from the Postal and Telegraph Department is 57 lakhs. I submit there is 39 lakhs more which ought not to be taken. Of course for book purposes it may be argued that 23 crores must be taken to be money for which interest must be taken out of the Department. First of all there is the fallacy there that the previous expenditure was from revenue of the department.

The Honourable Sir Basil Blackett: Not from revenue of the department. From revenue.

Mr. K. Rama Aiyangar: It may be that this is wrongly printed. Certainly I will hear the other side. But whatever it is they should not charge over and over again for money expended from the revenues and for which a depreciation fund is being provided according to the present rules. I will come to that presently. Then the total outlay is 23 crores 71 lakhs. The capital outlay not charged to revenue is 340 lakhs. I think I have mentioned it on other occasions but unfortunately I was not able to place my hand on the particular page of the revenue and finance accounts. I submit, Sir, that more than 18 lakhs could not in any event be charged to this Department for purposes of interest. Therefore, I say that to the 39 lakhs which I have referred to you should add this 39 lakhs, which is interest wrongly charged to the funds. I will submit to the House that even if you allow something for adjustment you can take 20 lakhs as an extraordinarily unnecessary provision taken from the Postal and Telegraph Department revenues for the general revenues. If it is commercial accounts, do not take it away from there. Keep it as a separate account for the Posts and Telegraphs; otherwise only charge the interest that ought to be charged on expenditure to capital not from revenue. And the other point I mention is this, Sir, that while the total amount that is invested is 23 crores we find a depreciation fund is provided of 33 lakhs. Here again the provision is too much, because as I have calculated it I find the buildings portion of this 23 crores is, for telegraph buildings 206 lakhs and for post office buildings 199 or 200 lakhs: or a total of 406 lakhs. And the usual life given for buildings is 200 years in the railway accounts. I do not know what they propose to take here, but whatever it is the provision will be very small for that; and for the telegraph lines and other things it should not be much; I mean for the buildings it will be only about 2 lakhs. (*An Honourable Member:* "But you have not got a majority.") I always believe that whether there is a majority or no majority the Government always takes note of all arguments. (Applause.) That is the

spirit in which I have been working here for the last three years. (*An Honourable Member*: "You may be disappointed.") If I am disappointed, I am not to blame.

Mr. President: I do not wish to interrupt the Honourable Member but he has taken more than 25 minutes and I should like to know how long he is going to continue still.

Mr. K. Rama Aiyangar: I thought there is no time limit, Sir. (*An Honourable Member*: "There is a time limit for Lunch.")

Mr. President: Does the Honourable Member wish to continue now or after Lunch?

Mr. K. Rama Aiyangar: I would prefer to go on after Lunch.

The Assembly then adjourned for Lunch till Five Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Five Minutes to Three of the Clock, Mr. President in the Chair.

Mr. President: Mr. Rama Aiyangar.

Mr. K. Rama Aiyangar: Sir, I was dealing with the interest charge on capital, and as I said, the revenue and finance accounts of 1924-25 disclose that only 340 lakhs of the capital were capital not charged to revenue, the remaining 20 crores were capital charged to revenue. However it is not the full interest on the whole capital that can come up only to 57 lakhs—the provision made is only 57 lakhs. As I said, the interest at 5½ per cent. on the 340 lakhs will work out at about 18 lakhs. The remaining 39 lakhs is interest charged apparently on some principle adopted by the Finance Department. What I submit, Sir, is that if we adopted the principle even that was adopted in connection with Railways for capital expenditure sunk on Railways, we could charge at the highest only about one per cent. of the capital at charge. This is only a suggestion of a compromise that I suggest, but properly speaking, in the interests of the tax-payer of the country, when you make a provision in revenue capital for a depreciation fund, you ought not to take one per cent. more on that for interest to go to general revenues, because the departmental revenue was gradually spent on the capital works, and to the extent of 20 crores it had been so spent.

The Honourable Sir Basil Blackett: Not the departmental revenue: the Government's revenue.

Mr. K. Rama Aiyangar: It was Government revenue because whatever balance was in the Department went to the Government. I quite understand, but let us do it the other way. Suppose the whole of the general balances of the country were spent towards this, even then the tax-payer ought not to be charged again. But the argument will be brought forward. "We are commercializing the Department and, therefore, if the general revenues had really contributed, you must take away interest from this Department". I say then that the question will have to be gone into as to how much of this is actually taken out of the Postal and Telegraph revenues and how much from other places. But the proper view to take of it is, if you take a block account like that, in view of

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the reasonable way which the Government pressed on this Assembly to adopt one per cent. as the reasonable rate to be charged to general revenues on capital taken for purposes of the construction of Indian Railways, the same principle may be adopted here as a policy that might be agreeable to both sides of the House. If you take that, Sir, you will get only about 20 lakhs to be added to the 18 lakhs which has to be paid on the 340 lakhs. That will therefore leave a clear balance of about 18 lakhs which must be available for the Postal and Telegraph Department,—not to be taken away from it. But the question will be raised, Sir, that if it is taken away from this Department, somehow the general revenues will have to diminish and therefore the total balance cannot be upheld after the Budget was presented. But there are various matters to discuss in connection with that and I do not propose to do it in detail. That is a matter for the Finance Department, and when we go into the question of the reduction or avoidance of debt and also the question of the Finance Bill, that will have to be taken up; but this is a commercialized Department at present, and it will not therefore be proper to go into that question. Whatever it is, you cannot charge any interest on this, but if you do, do it on some equitable principle as was adopted in the case of Railways, and that will relieve no less than 18 lakhs.

Sir P. S. Sivaswamy Aiyer (Madras: Nominated Non-Official): The capital was not borrowed.

Mr. K. Rama Aiyangar: It was spent out of revenue expenditure. The only conflict between the views presented is that it might be
 3 P.M. contended that the general revenues of the country were spent on that, not the balance of the Postal and Telegraph Department alone. That is a matter to be proved by the other side, but the Postal and Telegraph capital account is now put before the country, and this revenue and finance account shows that it is from the revenues of that Department that we should deduct it because it is taken to that head and the account is prepared on that basis, and therefore it must be taken as money spent from revenues. Thus so much of the capital in any event ought not to be charged to the total or even half of the interest that might be charged in the case of borrowed capital. If it was so, 18 lakhs would be realized. Then there are two other points, as I mentioned already, Sir, the question relating to the depreciation fund and the question relating to the expenditure charged to revenue for capital expenditure. Honourable Members will see on page 11 two entries. The provision for depreciation of wasting assets is given as 32.91 lakhs, which is 33 lakhs practically, and they will find at the end the amount transferred from capital outlay not charged to revenue is 20.02 lakhs. The account does not clearly show if these 20 lakhs are taken from the 32 lakhs depreciation fund, or whether it is a separate provision from revenue. I take it, Sir, that I am right in saying that it happens to be a separate provision. It is not deducted from the depreciation fund as it is, and it is deducted as "transferred to revenue from capital" at the end, that is at page 11. It may be taken either way. If it is taken out of the depreciation fund, even then the provision need not now be immediately spent next year, or it might be so adjusted that these 50 lakhs are spent for the Department which has provided, as I said, 126 lakhs extra over the actuals of 1924-25. The other point that I raised is the question of this depreciation fund being calculated on some hypotheses. I do not think this Assembly ever approved of the rules of depreciation of

this Department. In the case of the Railway Department the Railway Finance Committee had the rules placed before it, and there the life of the buildings and other assets is taken at a certain rate; so much so that the other day Mr. Rangachariar said that it might give undue relief to revenue, but even if all the views are adjusted, the total quantity for buildings recently put up alone ought to be taken as depreciation fund for this purpose, because we are charging interest also and we are providing large amounts for capital expenditure from revenue. My submission is that the depreciation fund for it ought not to be over 25 lakhs in any event. The 7 lakhs extra is too much. There is a calculation made in detail in the book itself, but I do not think it necessary to go into each head, but according to the view that I take of the proportion of the provision for wasting assets, I suggest that this cannot be above 25 lakhs for all these that are taken into consideration. 60 years being the average period for other than buildings and for buildings 150 to 200 years.

Diwan Bahadur T. Rangachariar: They have provided 23 lakhs for lines and wires alone.

Mr. K. Rama Aiyangar: I know. The question is, if you take the 60 years standard that I suggest, the calculation comes to about 25 lakhs I think. The question that I want to place before the Assembly is this. Honourable Members will please refer to the head "Stamps and Post-cards" at page 11. The expenditure provided, that is clause (h), which is covered by page 8, was only 2.29 lakhs for expenditure in the previous years, it was 8.28 lakhs in 1925-26, but it is 16.76 lakhs in 1926-27. Honourable Members can see the reason for it because the whole thing is being printed in

The Honourable Sir Bhupendra Nath Mitra: Please see paragraph 22 of the Financial Secretary's Memorandum.

Mr. K. Rama Aiyangar: But, Sir, the Security Printing Press has been established here and apparently much more will be required to supply the necessary materials for the Press.

The Honourable Sir Basil Blackett: If the Honourable Member will read paragraph 22 of the Financial Secretary's Memorandum, he will see that it is quite unnecessary to make these incorrect hypotheses.

Mr. K. Rama Aiyangar: I see, Sir, that my remarks are not relevant on that. Therefore I will leave that out of account. Then, I have to deal with a few more facts in connection with this, because the reply given by the Honourable Sir Bhupendra Nath Mitra to my interpellation that I referred to already of the 28th January gives all the recommendations of the Ryan Committee and also what steps have been taken, what are being taken, what the difficulties are. One of those again refers to the old story of the Department that you have got an extra number of telegraphists whom you cannot immediately dispense with. That is the only point of importance that has to be considered in connection with the reply, because I find the rest of the recommendations are being considered and if in the course of the year effect is given to them, the retrenchment I have proposed of Rs. 39 lakhs will be the consequence. You will have to make some reductions for which there may be adjustments from the other heads that I have already referred to. But so far as telegraphists go, it seems to be a very difficult position that the tax-payer has to bear, because the

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Department feels that it has created friendship with a lot of persons who have been taken on. That seems to me to be an almost understandable position. I have been here all these years and this is the third year in which the Budget is discussed. All these three years the same story is being told. I see the number of telegraphists is now distributed over larger areas, but there are other ways of effecting this. The last Administration Report of the Post and Telegraph Department shows that about 71 persons have passed recently and they are bound to be provided by the Department; but you have got extra telegraph offices. Something must be done to divert that kind of influx. "We have entered into a contract" was the recent explanation given by the Honourable Member in charge. If you have entered into a contract and if you are already over-flooded, are we to take the whole body again, and then say "Let the poor tax-payer pay?" On the other hand, is it not possible for Government with its wide range to adjust matters? Two big railway systems have been taken charge of by the Government, and of course by special contract some of the clerks and other staff there have been taken on, but the range of retirement of each year must be considerably wider when that is also taken into consideration. (An Honourable Member: "What about unemployment?") Unemployment must be provided for by other means which we have been discussing. There is no particular reason why the Department should bear more than it ought to. The Railways will afford a fair chance of relieving much of this difficulty by departmental heads sitting together to see that this is done. If 246 telegraphists on one side and telegraph masters on the other are to be paid by the tax-payer and also their house and other allowances for a long number of years or even for a few years, that will not be a charge which can be justified in the view of the House. I submit, Sir, I have no objection to something being done like that. It is not that anybody wants that other persons who are already entertained should suffer or that their prospects should suffer; but as much as possible must be done to distribute the burden amongst other departments, so that a just proportion might be borne by these departments. There is only one other thing. In connection with the increase of combined offices, some suggestion is made. I see that in the combined offices for some time you can pay the higher paid people and make them work there, of course without giving any guarantee to them that they will be paid like that or any future recruits for those offices will be paid like that. That is a matter for consideration. A number of people have been already taken and they ought to be provided for. It is a matter of provision. But future recruitment must be cut out and it could be adjusted in the course of the year. For all these reasons, Sir, I submit that it is easily possible to find not only 50 lakhs, but about 75 lakhs as I have calculated. 39 lakhs I referred to the Ryan Committee about; 19 lakhs I referred to the interest matter and about 7 lakhs in depreciation fund and some money which is provided for, capital expenditure from revenue. That question has been raised more than once, but we have not yet had a satisfactory solution. I will take up the question of capital charge to capital and Revenue under another head, but so far as this matter is concerned, the expenditure may be retrenched sufficiently to enable the Department to adjust it otherwise. Under these circumstances, Sir, the proposition I have placed before the House is one that in the interests of the tax-payer, in the interests of justice and in the interests of the sense of responsibility of the Government must be given effect to, and I ask the Assembly to carry it without fail.

Sardar V. N. Mutalik (Gujarat and Deccan Sardars and Inamdars: Land-holders): Sir, after the exhaustive (*An Honourable Member*: "Exhausting") speech of my Honourable friend Mr. Rama Aiyangar, I do not think it is quite necessary to go into the figures to which he has done full justice. Sir, this question of charging interest to the Postal Department is really the main question which I want to take up for discussion at this stage; and I have a motion which also will be merged in this motion by Mr. Rama Aiyangar. What I feel, Sir, is this. Government on their side have not proved that the expenditure on buildings, telegraph wires, etc., has been met by borrowing or has been met from general revenues. Post offices continue to pay some profit to the general revenues. Those profits have merged into the general revenues. Out of those profits perhaps these buildings were built. If you build the buildings from your revenue or from the profits of the post offices themselves, why now charge the post offices with this interest? All that you are entitled to charge is only depreciation. You must keep the property as it is and that is the only duty that you owe to the next generation. It is only recently, Sir, that this commercialisation of the Postal Department has been entered into. When the accounts were separated, I do not think there was any agreement arrived at as to on what understanding these accounts should be separated. I know there is one difficulty and that difficulty is this: whether we charge interest for all these buildings to the post offices or to the general debt it is just the same to the taxpayer. Perhaps the total balances of the Government of India will be reduced by that amount. What I mean to say, Sir, is that it is not very material so far as the paying of interest is concerned. But it is very material in one respect. If we find that the post offices are not being carried on on a basis of profit, then we shall not really be entitled to reduce the postal rates. But if we want to reduce the postal rates and if we want to take the post offices as a separate unit by themselves, then we are entitled to ask this question: Where did the money come from and how were these buildings erected? If the post office paid for those buildings, the Honourable the Finance Member has absolutely no right to ask Sir Bhupendra Nath Mitra for the interest on those buildings. But if it is from borrowed capital, then the Honourable the Finance Member is certainly entitled to the recovery. So, let us have an explanation on this point whether the Postal Department or the Finance Department have made any calculations about the profits from the post offices during the past years and whether these buildings can be really charged as a loan to the post offices.

Mr. H. G. Cocke (Bombay: European): Sir, the interesting questions that have been raised by Mr. Rama Aiyangar in his usual exhaustive manner are very difficult to debate across the floor of this House. I take it that one of the difficulties with which Mr. Rama Aiyangar is faced is that the post offices have been taken over, so to speak, as a going concern from what I might call the old Government. The Department took over the concern with its block account and the question arose whether the Department should be debited with interest on the full block account or with interest on only so much of the block account as had been purchased in the past out of loan funds, a large amount of the post office block account having been purchased from year to year out of revenue. If we are going to place the Post Office Department on a commercial basis we must, I think, adopt the point of view which would be taken if a company were

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taking over the post offices. They would have to provide the capital to take over that block and they would, therefore, be burdened with the full interest on the total amount of the block. The question has also been raised whether the post offices should, in addition to being charged with interest on the full block account—regardless of whether that block account was entirely purchased out of loan funds or not,—also be debited with depreciation. There, again, if we take the analogy of a company taking over the post offices, the depreciation would have to be met by the company. Therefore, it seems to me that if we are determined to carry commercialization to its logical conclusion, it is only right that both those debits should appear in the postal accounts; and until we have met those debits in addition to our running expenses, we cannot say that we have made profits out of our post offices. It may be that the Government are benefiting under another head in that they are getting interest from the Postal Department on the full block account. But looking at it from the point of view of the Department and from the point of view of a commercial concern, I think it is necessary that both those charges should appear. I think I shall probably be in order if I make a reference to the question of this block account in connection with our debt. It was raised the other day in the general discussion and the Honourable the Finance Member referred me to page 589 in the large Yellow Book and referred to my criticisms that we had no balance sheet and that it was not possible to see how the debt had been disbursed. He stated that that criticism was not a correct one. On page 589 of this large book we are shown a total debt figure of 776 crores. Then we are shown deductions being capital debited to commercial departments, e.g., Railways 540 crores, Posts and Telegraphs 17 crores, Irrigation 89 crores, and so on, total 649 crores. Deducting that figure of 649 crores, representing capital locked up in commercial departments, from the total of 776 crores, we arrive at a figure of 127 crores, which is the outstanding debt which has not been sunk in any of those concerns. A foot-note states that money to the extent of 11 crores (approximately) has been spent on New Delhi and 10½ crores on the Bombay Development Scheme. That leaves in round figures 112 crores which from this statement presumably represents unproductive debt. At any rate there is nothing to indicate whether this 112 crores has been sunk in any productive work or not. My criticism is that in dealing with this matter we are at a loss to know where the balance has gone. It has gone somewhere. One has also got to remember that a considerable amount of expenditure on an asset like Irrigation has taken place in the past and is not represented to-day by any of the debt because the debt has been paid off. (An Honourable Member: "What about Post office expenditure also?") That remark applies to post offices also. But for the reasons I have just given I think post offices ought to be considered separately. In the case of a head like Irrigation, however, it would be interesting to know how our total irrigation expenditure compares with what the so-called debt on Irrigation is to-day, because, although we have paid off part of the debt which has been sunk in Irrigation, that does not eliminate the asset; it is still there. That is a point which I sought to raise in the general discussion.

Diwan Bahadur T. Rangachariar: Sir, I wish to mention to the Honourable Member in charge that this motion has the entire sympathy of this isolated part of the House and will have its support unless some satisfactory

explanation is forthcoming. My Honourable friend, Mr. Rama Aiyangar, has suggested four means of saving expenditure in the Post and Telegraph Department. The first method he suggests is to confine new expenditure to those things which are absolutely necessary. The second method he suggests is to effect economy on the lines suggested by the Ryan Committee and the Retrenchment Committee. The third provision which he suggests is that there is an undue provision for depreciation. The fourth method which he suggests is that there is an undue provision in the shape of interest for the general revenue. Sir, all these suggestions seem to me to be reasonable and I do not think any person can reasonably object to any of these propositions. Sir, I may mention at once the secret—if it is a secret—which actuates this part of the House and which, I hope, will command the sympathy of the other side also, that the time has come when we must give some relief to the general population of the country. (Non-official Applause.) Sir, I was one of those who willingly agreed in the year 1921 when these new rates were proposed and new taxes were imposed. We did so because we then found the finances of the country in a confused state, in a depressed state and we wanted to get financial equilibrium. Now, Sir, thanks to the Honourable the Finance Member and to other circumstances we are in a position to give relief. We have given relief to sections only. Now the abolition of the cotton excise duty merely gives relief to a few hundreds of shareholders in mills. Sir, the provinces' contributions go only to benefit the services and probably very little of it goes to the development department of the provinces. What is the relief we are giving to the people of this country? The three pies postcards have been in existence for ever so long. It was a means of education, it was a means of spreading knowledge, it was a means of educating the people. We want to restore it, we are bent upon restoring it, and I hope we will do it with the help of Government. If Government cannot lend us a helping hand in this matter they will be—what shall I say? I will not make use of any reprehensible expression—but they will stand condemned at the bar of public opinion. The Honourable Sir Basil Blackett no doubt gives an emphatic negative. I want the Government of India to reconsider their views. I appeal to the Honourable Member in charge. This is a vital matter. If the Government is to be popular, then the time has come for giving us relief in this direction.

The Honourable Sir Basil Blackett: The tax-payers' interests will not permit us to reduce the rate.

Diwan Bahadur T. Rangachariar: The tax-payer is going to be benefited eventually, but the people of the country who used to post 100 million postcards have now ceased to post them. That is rather a serious problem which confronts a popular Assembly like this, which I still consider is representative of the people. Notwithstanding the weighty remarks of the Chair, I consider this House representative of the people, and it is up to this House, as representative of the people, to stand for this position. I ask for the earnest co-operation of the Honourable Member in charge and also the Finance Member, whether he cannot find some means by which this popular demand can be complied with. Confine new expenditure to what is absolutely necessary. We are going to build new buildings perhaps or provide new establishment. I have not gone into details. That is a matter that requires examination. (An Honourable Member: "Leave

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it to Mr. Rama Aiyangar.") I cannot leave it to Mr. Rama Aiyangar because he has not given us any indication in that direction. It is a matter which requires examination, and I am sure that the Honourable Member in charge with the help of the Director General of Posts and Telegraphs will be able to find a way out of this. If Honourable Members will look at page 11 of the Post Office Budget they will find under Telegraphs and Telephones, actuals of 1924-25, 122·6, whereas we now propose to spend 152·7. The telephone expenses from the actuals of 1924-25 was 9·55, while in 1926-27 we propose to spend 18·05, nearly double, and that within the course of 12 months or 15 months. That you should be able to double your expenditure in that direction seems to me to call for an explanation. Then again your actuals increase from 6·4 to 8·9 for radio expenses, so that there are fields for exploration in this direction, explorations with an eye to economy, finding funds to meet the popular demand. That being the objective in view I hope we shall have the sympathetic attention of the Department. We have been helping that Department all these years. I have stood up from time to time to defend that Department when attacked, and I feel that the time has come when this Department should rise to the occasion and meet the popular demand in this direction.

Again, Sir, although it is not a motive to be applauded, still I put it to the Government. We are here deserted by our own countrymen who have said that we are incapable of performing any good. They have withdrawn from this Assembly, they have walked out because they say we are incompetent to do any good. Are you going to justify that reproach? (An Honourable Member: "Not incompetent, unable.") Unable, yes. My Honourable friend Mr. Rama Aiyangar has pointed out—though he has a crude method of putting it—a way by which this economy can be effected. Employees can wait for the time when they will get more pay. The House will remember them. If the offices are so selfish, if the establishments are so selfish that they must have their allowances increased, their house rent increased, then they will render themselves very unpopular. Let the public have the benefit now. I am sure the income will increase by reducing the cost of the postcard. That is to say the postcard revenue is bound to go up and therefore I submit that some means must be found by which this expenditure should be reduced by at least 50 lakhs. These are the four methods which are open. May I point out as regards the interest charges, that there is no obligation that the Post Office should contribute to the general revenues; it is not borrowed capital; it is not a legal obligation

The Honourable Sir Basil Blackett: Does the Honourable Member want Madras to pay it instead?

Diwan Bahadur T. Rangachariar: I think Madras will not be sorry. Madras will equally benefit by the reduction in the cost of postcards. Madras will profit and other provinces will profit, and I do not want it to be put on the basis of any provincial advantage if there is going to be a surplus to the general revenues although it may be small. Sir, my Honourable friend the Finance Member has seen his way to allot 50 lakhs all at once for archæological expenditure

The Honourable Sir Basil Blackett: That does not increase our expenditure.

Diwan Bahadur T. Rangachariar: Is that more urgent, or is this relief to the people more urgent? The remains have been lying buried for centuries; there is no urgency in digging beneath the earth. If it waits for a century it will not make any difference to this year's Budget, but this makes a difference; this 50 lakhs can be utilised for this purpose. The general revenues can wait to be reimbursed this because you have not satisfied the demands of the people. There is no urgency to allot that 50 lakhs, let us take it this year. I hope that with the capable Finance Member we have we will be in a better position next year when we will be able to provide for that so that this recurring expenditure will be saved. Sir, this is a matter which is urgent and insistent. It is a popular demand and I appeal to the Government to co-operate with the people's representatives here in effecting this needed improvement. I call upon them to accept this proposal and effect this economy in this Department.

***Diwan Bahadur M. Ramachandra Rao:** Sir, I only wish to refer to one of the four points mentioned by my friend Mr. Rama Aiyangar, and that is the propriety of debiting a sum of 57 lakhs in the coming year for interest. Sir, the whole question of the commercialisation of accounts assumed a concrete form last year when the accounts were presented to this House. In presenting these accounts, the Honourable the Finance Member himself said as follows:

"It was not until January that various important decisions of principle were finally reached both as regards the form of the account itself and the actual method of distributing the charges. Final orders are still to be issued in certain cases and the statements of estimates prepared represent therefore, on several points, decisions which must be regarded as provisional."

Sir, in referring to the commercialised accounts last year, I contended, and I will contend to-day, that this item of interest on capital is an unjustifiable charge and ought not to be debited to the Postal vote. Sir, the amount spent on buildings and other works of utility to the Post and Telegraph Department has been spent during the course of 30 or 40 years from the revenues of the particular year, and I contend that there is absolutely no justification now, after this considerable period of time, to call upon the tax-payer of to-day to contribute a sum of Rs. 57,00,000 as interest. . . .

The Honourable Sir Basil Blackett: I am not calling upon the tax-payer.

Diwan Bahadur M. Ramachandra Rao: That is exactly what my Honourable friend is doing, and the only person who is benefiting by these commercialised accounts is my Honourable friend Sir Basil Blackett. . . .

The Honourable Sir Basil Blackett: Does the Honourable Member think I take those 57 lakhs into my own pocket? May I tell him where they go to? The greater part of it goes to reduce the Madras contribution. It is perfectly apparent and the allegation that it goes into my pocket is absurd. It goes quite obviously to reduce the charge on the general tax-payer for interest.

Diwan Bahadur M. Ramachandra Rao: Sir, the position is absolutely clear to every one of us. This amount does not go into the pocket of my Honourable friend Sir Basil Blackett, or into my pocket, but I tell him this is a charge which ought not to be made against the revenues of the Post Office, and to that extent, if this amount is deducted and you take the

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receipts from the Post Office as a separate item, there would be a total amount of 57·80 lakhs *plus* 18 lakhs available, that is, over 75 lakhs, which would go towards the reduction of the rate on postcards. . . .

The Honourable Sir Basil Blackett: Where does the 18 lakhs come from?

Diwan Bahadur M. Ramachandra Rao: 18 is the balance on the credit side in the Post Office. I will explain what I meant.

The Honourable Sir Basil Blackett: That is a different year.

Diwan Bahadur M. Ramachandra Rao: If the Honourable Member will look at page 70 of his Budget, he will see that there are three heads. The Post Office shows a credit of Rs. 18,70,000, and the Telegraph, including Radio, shows a net *minus* balance of Rs. 18,95,000, and the Telephone shows a *minus* balance of Rs. 9,06,000. That is the net result from the three Departments under this head. My contention last time, and my contention to-day, is that in the conditions in which we are situated in India, the receipts from the Post Office should be regarded as a separate item and that anything that bears on the telegraph rate should be regarded entirely as a separate transaction.

The Honourable Sir Basil Blackett: May I just for the sake of clearness point out to the Honourable Member that the interest charge to the Post Office is only 7½ lakhs. He is taking what is charged to the Telegraphs in arriving at his calculations.

Diwan Bahadur M. Ramachandra Rao: I am talking of the balance net profit or loss. Is this the interest item for the Post Office or is it the total for Posts, Telegraphs and Telephones?

The Honourable Sir Basil Blackett: The total item of the three. The Post Office is 7½ lakhs.

Diwan Bahadur M. Ramachandra Rao: May I ask what is the net result of the transaction of the Post Office?

The Honourable Sir Basil Blackett: Rs. 18,70,000.

The Honourable Sir Bhupendra Nath Mitra: But you have been asking that the interest charge should be withdrawn. Well the bulk of the interest charge goes against Telegraphs and Telephones. The bulk of the 57 lakhs you have been talking about goes under Telegraphs and Telephones, so you are not in any way adding to your argument by bringing in this point.

Diwan Bahadur M. Ramachandra Rao: My contention is that this amount of 57 lakhs is interest on capital which has been spent in previous years on postal buildings, telegraph buildings or any other class of buildings which are under the control of this Department, and I contend, Sir, that interest on all this capital which has been sunk in all these buildings, whether they are for the Post Office or the Telegraphs or anything else, should not be drawn from the receipts of this Department. Whatever was required for the construction of these buildings was taken from the current revenues of each year during the last 30 years, and the commercialisation of the accounts now has resulted in the claim by the Finance Department, I will say by Sir Basil Blackett, for the sum of 57 lakhs on capital works which have been financed from revenue during all these 30 years. I contend that that is

not a just transaction and a just debit against these buildings. There are other departments which have had their buildings constructed from current revenues, but you are not going to charge interest in any way to them. It should not be regarded, because of the commercialisation of the accounts, that the only analogy for this is the case to which Mr. Cocke has referred. This question of what should be the just debit and what should be the policy with reference to the claim for interest should be examined by the Standing Finance Committee. I suggested last year that these provisional conclusions, which the Honourable Member himself said were provisional, should be placed before the Standing Finance Committee, and some reasonable adjustment of all these items of debit and credit shown in these commercialised accounts should be arrived at. I submit nothing of the kind was done and we have here a claim for interest of 57 lakhs. . . .

Sir P. S. Sivaswamy Aiyer: How will you meet the reduction in the general revenues if you take away the 57 lakhs?

Diwan Bahadur M. Ramachandra Rao: There will not be any reduction of general revenues so far as this year is concerned. What my Honourable friend Sir Sivaswamy Aiyer says is if this 57 lakhs is not credited here to the Finance Department, the Finance Department will be the poorer by that amount. That is a perfectly correct statement of fact. They will have to find the money, but not by levying it from men who have to use the Post Office. Probably they may impose a higher rate of income-tax on my friends who are sitting there; I have no objection to that; let them do it. I tell you I have not the slightest objection to give effect to any proposals of the Finance Department to put up the super-tax on incomes above Rs. 30,000. By all means find the money in that way, but I ask you not to let the poor tax-payer in this country who uses the Post Office pay this 57 lakhs of rupees.

Sir, I have one other argument. It is admitted by all Honourable Members in this House that during the last three years, after these postal rates had been increased, the letters that passed through the Post Office and the postcards that passed through the Post Office decreased by 100 millions and 125 millions respectively. Now I ask you is it not a fact that the traffic through the Post Office has gone down by nearly one-sixth? Is that a matter for satisfaction? As my Honourable friend by my side (Mr. M. A. Jinnah) suggests to me, it is the gravest reflection on the Government that they should withdraw, by means of enhanced postal rates, the facilities that existed before 1922 or 1923. I think, therefore, that these commercialised accounts, whatever may have been their intention, have resulted in keeping up all the existing rates by what I may call these unjustifiable credits and debits, and I think the Honourable the Finance Member and the Member in charge of the Department ought now to endeavour to get rid of this. I have no objection, if any amounts are required for the Postal Department for the construction of buildings, that you should lend it and charge interest, but our complaint is that you pile up accounts for the last 30 years and suddenly Sir Basil Blackett wants 57 lakhs. . . .

The Honourable Sir Basil Blackett: I did not introduce this charge for interest; it was long before my time.

Diwan Bahadur M. Ramachandra Rao: It may be so, but you are the successor who is benefiting by it. That is what I say. It may be that my Honourable friend is not immediately getting it, but we look to him

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now as the only man who gets this benefit for the general revenues. One last word, Sir. Of course Sir Basil Blackett will say if you give up this you cannot reduce the provincial contributions. He has used that argument very successfully for several years for every proposal. . . .

The Honourable Sir Basil Blackett: It happens to be universally valid. If you use money for one purpose you cannot use it for another.

Diwan Bahadur M. Ramachandra Rao: These are all obvious facts, but I am certain I am echoing the feelings of most of us in this House when I say that the one thing which would make the Government popular at the present time is a reduction of these rates which the people have borne these three or four years; and the fact cannot be gainsaid that the postal traffic has contracted to the extent of one-fifth, a fact which cannot be ignored by the Government, whatever may be their difficulties. There must be a way of putting back the traffic to the state in which it was before 1922-1923.

(Several Honourable Members moved that the question be put.)

The Honourable Sir Bhupendra Nath Mitra: Sir, we have listened to a most interesting and discussive debate. It began with my Honourable friend Mr. Rama Aiyangar placing before us a series of figures and a specific cut of 50 lakhs in this particular Demand with which I am really concerned. The debate veered round to the question of the reduction of postal rates, etc., which might have more profitably come at a later stage. (*Cries of "No, no."*) Still it has revealed the object why this particular cut was proposed by my Honourable friend Mr. Rama Aiyangar.

I shall first deal with my Honourable friend Mr. Rama Aiyangar; and at the outset I would rather like to warn this House to take his calculations with a certain amount of caution. I know that the other day, when I was dealing with the question of the reduction of postal rates, Mr. Rama Aiyangar levelled against me a definite charge that my statements were not very accurate. Well, I shall ask the House to permit me to regale it with some instances of the accuracy of Mr. Rama Aiyangar's figures.

Maulvi Muhammad Yakub: Two wrongs do not make a right.

The Honourable Sir Bhupendra Nath Mitra: It does not matter. I shall come back later on to the figures which he placed before us on the present occasion. He has always got an idea—I do not know how he got it—that in the Postal and Telegraph Department we have not given full effect to the Inchcape Committee's recommendations. In his speech on the 2nd February, 1926, he said that we had not given effect to 1 crore of the Inchcape Committee's recommendations, and that since then the expenditure of the Posts and Telegraph Department had gone up according to him by another crore and 59 lakhs. One would have thought that, therefore, our misdeeds were responsible for something like Rs. 2,59,00,000; but in adding the figures he dropped a crore. He apparently is in the habit of carrying crores in his pocket, an accusation which has hitherto been levelled by Honourable Members opposite against my Honourable colleague to my left (Sir Basil Blackett). However, later on he said we

had not given effect to 60 lakhs of the Inchcape Committee's cut. Well I shall try to prove to the House—we have already in statements placed before this House on previous occasions tried to bring out the fact—that we have given effect in the aggregate to the total cut recommended by the Inchcape Committee, and I shall give the House now some further figures in this connection. I shall simply give the figures in the aggregate, as I have no intention of wasting the time of the House.

The Inchcape Committee recommended that the budget estimate of expenditure of the Indian Postal and Telegraph Department for 1923-1924 should be fixed at Rs. 882 lakhs. I understand that according to the method now followed for exhibiting in the accounts the expenditure of this Department, this figure of 882 lakhs was distributed among the various heads in the following manner: Working expenses chargeable to revenue, 843 lakhs; Interest on debt, 66 lakhs (the item was there when the Inchcape Committee wrote its Report); in Capital expenditure chargeable to revenue, *minus* 27 lakhs; the *minus* figure under this last-named head being due to consumption of stores held in stock which the Inchcape Committee wanted to be reduced. The item with which we are concerned in dealing with questions of economy is the first item of 843 lakhs. As a matter of fact the expenditure in 1923-24 on working expenses amounted to 841 lakhs, exclusive of two items which the Department was not charged with before 1923-24 and which did not accordingly enter into the Inchcape Committee's calculations. These two items were one of 32 lakhs for pensionary charges and another of 32 lakhs for overhead charges on Stamps held in depôts. The budget figure for Working Expenses of 1926-27 has been taken at 10,18 lakhs, but this figure includes 50 lakhs for pensionary charges, 33 lakhs for payment to Depreciation Fund, 10 lakhs of expenditure which used to be covered by railway passes which have now been withdrawn by the Railways, and 7 lakhs of extra expenditure on the provision of postcards and stamps. Further this figure of 10,18 lakhs takes into account a credit of 26 lakhs for services rendered by the Posts and Telegraph Department for non-postal transactions like Savings Banks, Cash Certificates, etc. The figure of 841 lakhs for 1923-24 which was obtained after giving effect to the Inchcape Committee's recommendations has thus risen in the Budget of 1926-27 to 946 lakhs—a rise of 105 lakhs. This is the position, if we compare like with like.

Now, Sir, we must turn to the revenue side of the picture. The revenue of the Department in 1923-24 amounted to 990 lakhs after paying 19 lakhs to Provincial Governments as their share of the revenue from the sale of unified postal and revenue stamps. I have a recollection that in his speech on retrenchment Mr. Rama Aiyangar said that the Inchcape Committee, when they proposed their cuts, were working on the higher revenue of 1922-23. I must say, Sir, that that is an inaccurate statement and I invite attention to paragraph 10 at page 95 of the Inchcape Committee's Report.

The revenue of the Department in the Budget for 1926-27 has been taken at 10,65 lakhs after providing for a payment to Provincial Governments of 47 lakhs. The other day I explained to the House the reason why this payment to Provincial Governments has increased.

Mr. K. Rama Aiyangar: May I just draw the attention of the Honourable Member to page 91—estimate of receipts 10,19 lakhs?

The Honourable Sir Bhupendra Nath Mitra: The Honourable Member will never read these figures correctly. The Inchcape Committee began undoubtedly with the budget estimate for 1922-23, but they said this—I am afraid I shall have to read out the passage. This is in connection with their cut in salaries:

“ The Director General has agreed that the provision for salaries should be reduced by Rs. 3,67,800 but has estimated for a decrease in revenue which means a decrease in work. We consider this is inadequate ”

and therefore they went on to recommend a larger cut in salaries.

Mr. K. Rama Aiyangar: May I point out that they took the receipts at 10.19 lakhs but the Director General said that he had already cut out from the unnecessary provision he had made.

The Honourable Sir Bhupendra Nath Mitra: My Honourable friend will not understand the position. They began undoubtedly with the budget estimate for 1922-23, that is, 10.19 lakhs. Then they say, we have heard from the Director General that the revenue will go down, therefore we make a larger cut in the expenditure than we should otherwise have done.

Mr. M. A. Jinnah: But why has this cut not been made?

The Honourable Sir Bhupendra Nath Mitra: The Budget for 1926-27 over the actuals for 1923-24 does amount to 103 lakhs, which is exactly the same as the growth in expenditure. I am explaining the position. One of Mr. Rama Aiyangar's arguments is that we have not given effect to the Inchcape Committee's recommendations. I am first trying to prove that we have given effect to the aggregate cut recommended by that committee and that the provision we are making in the Budget for 1926-27 is no higher than what we now require. I am now dealing with his general cut for retrenchment. I shall deal with interest and depreciation very soon. The real growth in expenditure between 1926-27 and 1923-24 has thus been about the same as the true rise in revenue. The results is what might be expected on economic considerations. The scale of charges now levied by the department for the services rendered by it may generally be about double the pre-war rate but the cost of the services has also risen to about the same extent. We have no doubt still got the same token pice and token anna; but measured in terms of commodities, that token pice and token anna do not go so far as they used to go before the war. The force of this observation is apparent in our every day transactions. What reason have we then to expect that things should be different in regard to services for which the Indian Post office and Telegraph Department caters? Mr. Rama Aiyangar then proceeded to compare the Demand for 1926-27 with the revised estimate for 1925-26 and he said that the Demand for 1926-27 exceeded the revised estimate by about 70 lakhs. He was generous enough to offer out of that, 20 lakhs to enable us to meet certain grievances of subordinate employees, and he asked us to make a cut of the balance of 50 lakhs. Now, Sir, it was pointed out a little while ago to Mr. Rama Aiyangar that he had overlooked the explanations given in the Financial Secretary's Explanatory Memorandum drawing attention to two special items; firstly, there is 13 lakhs for the cost of postcards, stamps, etc., and secondly, there is an item of 10 lakhs which, as I have already mentioned, is the additional expenditure arising out of

the withdrawal of free railway passes from the Indian Post and Telegraph Department. But apart from that, Sir, does not the revenue of the Department show an increase in the two years? The revised estimate of revenue for 1925-26 is 10,23,47,000. The budget estimate for 1926-27 is 10,64,65,000, a rise of 41 lakhs. Does Mr. Rama Aiyangar or any of my Honourable friends opposite hope that this extra revenue will be earned without our having to incur an almost equivalent expenditure on the establishment required for the purpose?

Diwan Bahadur T. Rangachariar: What proportion of the extra revenue will you allot for extra establishment?

The Honourable Sir Bhupendra Nath Mitra: Nearly the whole of it will be required for extra establishment.

Diwan Bahadur T. Rangachariar: Why should it? The same telegraph peons and postal peons deliver the telegrams and letters.

The Honourable Sir Bhupendra Nath Mitra: I am simply surprised at the statement that the same staff will be able to deal with this additional volume of traffic. I have already said that the cost of the services is no less than the amount charged in regard to the services and I mentioned the other day that I could not be a party to overworking the staff. I think Mr. Joshi when he gets up will have something to say in this connection. To avoid over-working, in the Budget for 1926-27 we have had to make certain provisions to permit of the grant of leave to postmen, etc.

Sardar V. N. Mutalik: Does the Honourable Member mean to say that every increase in traffic will only be proportionate to the actual expenditure?

The Honourable Sir Bhupendra Nath Mitra: I am not in a position to make any definite statement on that point, because circumstances in different parts of the country vary. For example, if we open a new post office,—and there is a general demand for the increase of postal facilities in rural areas,—the cost of that office at the start will be much heavier than the immediate receipt; but probably in a big town like Calcutta when there is an increase in the volume of traffic, it may not be necessary for us to employ additional establishment costing precisely the same as the additional revenue brought in by the extra traffic. But generally speaking

Sardar V. N. Mutalik: What about overhead charges?

The Honourable Sir Bhupendra Nath Mitra: The overhead charges are relatively small. Time after time in this House, Sir Geoffrey Clarke has pointed out the smallness of the supervising and administrative establishments which the Department has employed and there is no question of adding to them until and unless the need is clearly established. But it is the subordinate staff, the people who will have to sort the letters, carry them from one place to another, re-sort them probably ten times over again and then deliver them—it is those that really cost money.

(At this stage Mr. K. Ahmed rose to make an interruption.)

Mr. President: The Honourable Member to whom the question is addressed during the debate will resume his seat if he desires to give way.

(At this stage Mr. W. M. Hussanally made an interruption.)

The Honourable Sir Bhupendra Nath Mitra: If the Honourable Member (Mr. Hussanally) who has just interrupted me meant to ask whether we cut down establishments when the traffic goes down, I say we do. If the Honourable Member wants me to go into some statistics on this subject I shall do so readily. I shall not go into much detail but I shall give the total figures. (*Some Honourable Members:* "We do not want them.")

Sir Hari Singh Gour: Explain why this cut should not be made.

The Honourable Sir Bhupendra Nath Mitra: As regards Mr. Rama Aiyangar's first argument, namely, on grounds of general retrenchment, I have already explained that there is nothing in it. I require all the money that I have demanded for Working Expenses to meet the ordinary traffic of the department. I come next to Mr. Rama Aiyangar's second point, that is the Ryan Committee's Report. (*An Honourable Member:* "Why should not this cut be made?") Because I require the whole of the money to meet the traffic of the Department, to run the Department efficiently, to carry letters and postcards which my friends opposite want to be delivered punctually and in regard to which, if there is any delay or non-receipt, I shall be heckled very badly later on. It is for this reason that I want the whole of that money. If my friends opposite do not want me to say anything in regard to Mr. Rama Aiyangar's criticisms connected with the Ryan Committee's Report I shall be quite content not to do so; otherwise, I shall be obliged if they will allow me to proceed. I shall first deal with the items given in the Ryan Committee's Report, paragraph 170, which mount up to a total of 21 lakhs in all. Now, what is the nature of these reductions? The first important suggestion they make is to substitute a cheaper class of Railway Mail Service sorters. Does my friend Mr. Rama Aiyangar or does anybody on the opposite side of the House want me, even if it be possible administratively, to get rid of the present Railway Mail Service sorters and replace them by men on lower rates of pay? If such a measure can be introduced it can only be introduced very gradually, and so Mr. Rama Aiyangar's Rs. 7,70,000 are not immediately available. The same remark applies to the second item, "revision of the ratio of general to station service telegraphists". I come to the next item, "substitution of clerical for telegraph staff for the execution of certain duties". The same remark applies here also. I am not yet prepared to say that those measures can wholly be introduced. They are receiving our most careful consideration. But even if it is feasible to introduce them, you will not get any saving from those items in the next year or the following year. You may get something in the year after that. In fact, if you try to force these retrenchments, you will send a number of people on to the pension establishment, and apart from the misery created thereby the pension charges will go up enormously, and instead of there being any real economy it will mean extra expenditure.

I shall next turn to the subsidiary items referred to in paragraph 171. About the cadre of Superintendents of Post Offices, it may interest Mr. Rama Aiyangar to know that we are not increasing the strength of Superintendents of Post Offices. We have not increased

them in the last 5 years, though the number of post offices gone up considerably; rural areas have been developed from a postal point of view and post offices have been opened. And the only way we can give effect to that recommendation—at least this is my provisional view—is by not adding to the strength, as it is impossible to reduce the strength. This was a point which Sir Geoffrey Clarke dealt with very fully on the floor of this House last year. Now we come to the next two items, “the further replacement of departmental telegraph offices by combined offices” and “revision of staff on the basis of a more reasonable standard of output by telegraphists”. Here the remark I have already made in regard to the items in paragraph 170 also applies; that is, you cannot get any immediate saving. The last item is:

“a revision of the conditions which at present make for an excessive absenteeism, as a result of which the department bears heavy charges for staff who produce no results”.

Now, Sir, if you want to look at the other side of the picture, I would ask you to read the Report of another Committee, namely, the Postal Committee of 1920. (*An Honourable Member*: “It is an ancient document.”) Well, the remarks contained in it are true at the present day, and I am pretty certain they will appeal to my friend Mr. Joshi, whom I cannot find in the House at the present moment. (Laughter.) The passage I am quoting refers to their proposals for increasing the leave reserve, and they say:

“It may be argued as against the proposal that casual leave, not being a recognized form of leave, cannot be taken into account in calculating a leave reserve. This is sound enough in the case of an ordinary Government office where arrangements can be and are made to carry on the work of a casual leave absentee, and where as often as not no harm ensues even if for a day or two an absentee's work is left over to be done on his return. But it will not work in a post office where an absentee must be replaced, the only alternative being, in a one-man office, to close the office, and, in a larger office, to shut down one line of business—registration, money order, savings bank, etc., as the case may be. As this alternative is obviously out of the question there will, if the reserve we recommend is not sanctioned, be no course open to the Department but either to refuse leave, in which case the concession of 20 days' casual leave which has recently been sanctioned will remain as it is—a hollow mockery—or to continue the system of employing unpaid probationers”

and it goes on like that. The Committee recommended a leave reserve of 20 per cent. The leave reserve that Government sanctioned at the time was 17 per cent. That being so, where is the room for the excessive absenteeism and how do you expect to get savings of lakhs from that source?

Now, Sir, I think I have pointed out at least to the best of my ability that there is no chance of getting any economy or securing any cut in the Demand for Working Expenses. It will be impossible to run the Department if a smaller sum of money is allotted for the purpose. It may of course be run, but certainly not efficiently, and to use an expression which I used the other day, by sweating the staff. Well, I am afraid I cannot support that idea.

Now, Sir, I shall deal with my friend Mr. Rama Aiyangar's next point, namely, in regard to the interest charge. Mr. Rama Aiyangar would like to take off something from the interest charge. Now, Sir, there seems to be an impression at least among some Members that last year the Government quietly put in this interest charge. As a matter of fact it has

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been there from 1921-22. It was looked into by the Inchcape Committee. What that Committee said in regard to the charge was this :

"We are informed by the Director General that sufficient allowance has not been made for depreciation in arriving at the capital expenditure on which interest should be charged as part of the working expenses of the Department."

We accepted that suggestion and the capital on which we are now charging interest to the Department is the depreciated value of the block and not the original value. The charge has been passed by this House for a number of years. The charge was first passed in 1921 and now we are told that it is undesirable to make this charge. It was admitted by my friend Mr. Mutalik that so far as the general tax-payer is concerned it is immaterial whether you make the charge or do not make it. If you do not make the charge here, the interest charge under some other head will be considerably increased, and therefore the money available for the relief of the tax-payer in one form or another remains the same. There is no change in the total sum.

Sardar V. N. Mutalik: We are not concerned with that. I have made it quite clear, we are concerned with the postal rates.

The Honourable Sir Bhupendra Nath Mitra: It does not matter. In fact I have first dealt with the result to the tax-payer as a whole. I shall next deal with the question of propriety. As I have already said, the Inchcape Committee blessed the system which we are now adopting, and I should have thought that that itself would have been sufficient for my Honourable friend, Mr. Rama Aiyangar, for the Inchcape Committee's Report is, I should not say his Bible, but his Veda. We are simply following their recommendation in the matter. But apart from the views of the Inchcape Committee, is it wrong to make the charge? Mr. Rama Aiyangar talked about the one per cent. charge on Railways. But he forgot that before the one per cent. charge is made, Railways are made to pay the full interest on capital. He does not understand the position. That one per cent. is the contribution of the Railways to the general revenues. Here there is no question of a contribution to general revenues. If he had at all examined the Finance and Revenue Accounts and documents of that sort carefully

Mr. K. O. Neogy: Do you regard the Postal Department as a revenue-earning Department?

The Honourable Sir Bhupendra Nath Mitra: We do not. That is the reason why the one per cent. charge is not made.

Mr. K. O. Neogy: There is no analogy between the Railways and the Postal Department.

The Honourable Sir Bhupendra Nath Mitra: I was dealing with Mr. Rama Aiyangar and pointing out the inaccuracy of the statement made by him, because he told this House that in the case of Railways, for similar expenditure we charge only one per cent. We do not charge one per cent. We make the full interest charge *plus* one per cent., and that is an absolutely correct fact. Now I shall return to the question, why are we charging interest to the Indian Postal and Telegraph Department. I

think I said on a previous occasion that our policy in regard to the Department is this—it has been mentioned several times in this House and has never been challenged by this House—our policy is that this Department should pay its way. We do not want any revenue from it, but it should pay its way. That is, the tax-payer must pay for the conveyance of his letters and telegrams by the fees which are charged for the services. Now to find out what the cost is

Sir Hari Singh Gour: Why should the writer of a letter pay for another man's telegram?

The Honourable Sir Bhupendra Nath Mitra: I shall come to that pretty soon. I am for the present dealing with the policy. To find out what the cost of the services is, you have got to allow for that interest charge. My Honourable friend, Mr. Cocke, was perfectly correct there. Let us assume that Government had handed over this business to a private carrying agency and said, "Here is this business, you take it over and find out what the cost of the services is and you charge the public accordingly." They would then have charged proper fees for the services rendered, and for that purpose they would have treated as working expenses the interest to be paid on capital,—the amount which they would have to pay to Government for the handing over of the concern to them by Government. So, from the theoretical point of view, it is a perfectly correct proposition to charge interest to the Department.

Now my Honourable friend, Sir Hari Singh Gour, referred to the other matter, that is, why should Telegraphs pay for the conveyance of letters by the Post Office? I think my friend, Diwan Bahadur Ramachandra Rao, was on the same track, too, and I had to stop him by referring him to a particular matter

Mr. Bipin Chandra Pal: Was he after the private carrying agency?

Sir Hari Singh Gour: My question was just the other way.

The Honourable Sir Bhupendra Nath Mitra: Yes, it was. I am discussing it in relation to the interest charge though it is covered by a separate motion on the paper. The point is this. In arriving at a deficit of Rs. 18,95,000 on the telegraph side, the charge for interest on capital outlay is Rs. 41,86,000. So even if this proposition were acceptable to us, the Post Office would not benefit. It is the Telegraph Department which would benefit most, and even if I am to treat them in separate compartments as he wants—I see my Honourable friend now shakes his head,—there should be a reduction in the telegraph and not in the postal rate.

I shall now deal with the last point of my Honourable friend, Mr. Rama Aiyangar, which is this: He referred to depreciation. I think he wanted to reduce the demand for the depreciation of wasting assets to 25 lakhs by a lump cut. I am sorry I do not follow him fully as to the reason for this reduction. But I can tell him this, that the normal lives of the various articles comprising the assets of the Indian Posts and Telegraphs Department were worked out very carefully in consultation between the Engineer, who ought to know something of his job, and the Accountant General, and I am pretty certain that the latter would not have allowed any hypothetical assumptions to pass unchallenged. I find that in the case of copper and bronze wire the normal life is taken at 35, and in the case of aerial

[Sir Bhupendra Nath Mitra.]

cable it is taken at 15. These were the lives which were assessed on the advice of the Engineer and the Accounts Officer; and I may also say this that in making their calculations they had before them the report of a similar calculation made in England also by an Engineer and an Accounts Officer. Having got these normal lives, the rest was a matter of calculation; and if you want to make adequate provision for the depreciation of your wasting assets, no reduction in the demand is possible.

Mr. K. Rama Aiyangar: How many years' wastage had been deducted?

The Honourable Sir Bhupendra Nath Mitra: I think I have now done with my friend, Mr. Rama Aiyangar (Hear, hear). Now, Sir, I shall turn to the remarks made by my friend, Mr. Rangachariar. To the extent that those remarks refer to the four items under which Mr. Rama Aiyangar wanted savings, I hope I have disposed of them. My friend also referred to the fact that if we reduced the postal rates, the traffic would go up. I said the other day that the traffic would certainly go up, but the expenditure would go up too, and our general impression is that the expenditure will go up in the same proportion. The House were not willing to have the figures which I wanted to give them showing how the increase in staff in recent years compared with the increase in traffic; but if they had listened to the figures, they would have found that the increase in staff has not kept pace with the increase in the traffic, and as it is we hear complaints from the staff in various directions.

Mr. Rangachariar incidentally referred to the Archæological Fund. Well I am not sure whether I am trespassing on the domains of my Honourable colleague to my left, but Mr. Rangachariar overlooked the fact that the 50 lakhs which it is proposed to hand over to the Archæological Fund in the current year is a non-recurring item. It would give us a recurring sum of something like 2½ lakhs, which of course will be of no use for the purpose of reducing the postal rates.

Sir, I think I have dealt with all the relevant points which were brought forward, and I hope I have proved to the satisfaction of the House that it is not possible to make any reduction in the working expenses. (*Cries of "No, no".*) Well, if they say "no", I know that there are other interests involved.

Mr. B. Venkatapatiraju (*Ganjam cum Vizagapatam: Non-Muhamadan Rural*): Sir, I do not propose to take much time, but the most eloquent and elucidating speech of Sir Bhupendra Nath Mitra in meeting the arguments of Mr. Rama Aiyangar made confusion worse confounded. Evidently Sir Bhupendra Nath Mitra has not read the recommendations of the Ryan Committee, because if he has read them, he would not have made such a statement about absenteeism. In paragraph 146 of that Committee's Report after recommending that Rs. 10,84,000 per annum can be saved for the pay of the permanent establishment, they state it would be preposterous if they suggested that it should be fixed at 17 or 20 or any other comparable percentage of the staff at work. What we are all advocating is that we want a lump reduction of 50 lakhs in order to help us to reduce the rates on postcards. That is our aim and our object. In order to achieve that end, various methods are suggested. It is stated by Mr. Cooke that we must treat this as a commercial department. After all the

State is being benefited partly by the Post Office and mostly by the Telegraph Department. No State can run its machinery without their help. Is it not necessary for the general taxpayer to contribute towards this object? You cannot say that in any country the Telegraph Department pays. You must subsidise it. Why should you, for that purpose, take any amount from the Post Office? It is true that for a long time we were not charging any interest. During the last 30 years we made a large profit as shown from the year 1900 to 1920. In 1919-20 the income was Rs. 59,96,811, the charges Rs. 47,25,300 and the profit Rs. 12,71,511. It is true that in these accounts non-effective charges like pensions, rent of buildings, etc., are not included or charged to other Departments such as the Public Works Department. It is equally true that, according to the recommendations of the Ryan Committee, several improvements can be effected. They have pointed out in paragraph 146 that an immediate saving of Rs. 10,84,000 could be effected, and they point out on page 67 how other recommendations could be adopted, effecting a saving of Rs. 21 lakhs. Besides that, they suggest other economies that could be effected. If experts like these three gentlemen, who have prepared this account, cannot be supported by the Government who appointed them, and if by the speech of Sir Bhupendra Nath Mitra we are to take it that these experts are altogether wrong, I must say that there seems to be something rotten.

The Honourable Sir Bhupendra Nath Mitra: I never said they are altogether wrong. I said it will take time to secure the savings.

Mr. B. Venkatapatiraju: I wish to bring to the notice of Sir Bhupendra Nath Mitra that in the Administration Report itself they have pointed out that this Committee have made 14 recommendations. They say:

“ Besides several minor suggestions, the following were the recommendations.”

It is said that they are receiving consideration. Since February, 1925, they have been receiving consideration up to now. When a Committee appointed by the Government says that economies can be effected to the extent of Rs. 30 to 40 lakhs, and if you have not done anything till now, is it fair on the part of the Government to say “ though we have got the recommendations, we are still considering them ”? In the next paragraph of their Report, Sir, you will find that they accept the Lee recommendations without delay. In the speech of Sir Basil Blackett, he himself pointed out, with reference to the postal charges, that they have increased by 10 lakhs on account of the decision of the Railway Department to withdraw the concessions of free railway passes to employees. They have enjoyed this concession for these 30 years. Why should they be deprived of it now? If the Government are interested, the other Departments must contribute as well. Why should this concession be charged against the Postal Department at all? Thus you have added 10 lakhs. You further state that 19 lakhs were added for increased emoluments. Evidently it must be for the Lee Commission recommendations. You have added 15 lakhs this year for increased benefits for postal employees. We know the grievances of the postal officials. In the Finance Committee we have given support to an increase of 15 lakhs. Even Mr. Rama Aiyangar does not ask that the increase to postal officials should not be given. They must have a living wage. When you have increased taxes directly and indirectly to the extent of 50 crores annually, should you not give some concession to the people even to the extent of half a lakh? That is what we ask. If you do not do that, either you are incapable of

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economising expenditure or you do not want to do anything to help the people. Do you want to reduce the salt tax? Do you want to reduce anything? If you are not prepared to do any other thing, why not do even this, which will give relief to every poor man? There is only one more argument. Do you know even in this year, 1923-24 and 1924-25, half a million less of postcards were sold in India, and if you take it from the time you increased the rate, the total loss is 100 million cards. But even this year, there is reduction. What does that mean? Does it not mean that 100 million correspondents have stopped using postcards? Is it fair for a poor country like India that you should keep the postage at this heavy rate? We know that Sir Basil Blackett from the very beginning has been very much against giving any concession in this matter, because he does not want to give a concession to the people. This is not the first time. Whenever he has stood against it, next year he has admitted his mistake, though not openly. In the matter of the salt duty, he fought against us, but next year he reduced it. Similarly, I expect if he does not agree to our suggestion now, at least next year he will agree to it. (Some Honourable Members: "This year.") Even the traffic is not bearing, because the sale of cards is going down. Even postcards are going down.

The Honourable Sir Basil Blackett: Going up.

Mr. B. Venkatapatiraju: I have the figures now. I do not know where he has got his figures from.

The Honourable Sir Basil Blackett: It is going up year by year since 1923.

Mr. B. Venkatapatiraju: We are only confining ourselves to postcards. I have got the figures. From 640 in the past years, it has come to 550 at present. Therefore it is 100 millions less this year.

The Honourable Sir Basil Blackett: Go back to 1922-23.

Mr. B. Venkatapatiraju: We have got it, showing how it has gone down to 550 millions.

The Honourable Sir Basil Blackett: It is going up every year since 1922-23.

Mr. B. Venkatapatiraju: It has gone up by 5 millions after going down by 150 millions. Do you think it is satisfactory and that you can say that it is going up year after year? Taking the revenue also, from the purchase of internal postcards as well as half anna stamps, you will find reduction in 1922-23 and 1924-25. How do you account for that? I shall give the figures.

The Honourable Sir Bhupendra Nath Mitra: We know the figures.

Mr. B. Venkatapatiraju: If you know the figures, you must admit my contention.

The Honourable Sir Bhupendra Nath Mitra: You said it is going down year after year.

Mr. B. Venkatapatiraju: Yes. In 1923-24 the sale of inland single postcards was 211 millions; in 1924-25, 206 millions. That means 5 millions less. In regard to half anna adhesive stamps, the sale was 108 millions in

1923-24 and 97 millions in 1924-25. Is it not less? It is less by 11 millions. After taking 10 millions increase in double cards and providing for that, there is still 7 million postcards less.

The Honourable Sir Bhupendra Nath Mitra: The Honourable Member is mixing up his figures.

Mr. B. Venkatapathiraju: Therefore, I submit that it is high time, in spite of the Honourable Sir Basil Blackett's strong remarks in his budget speech, that you should bend a little and agree to show some concession to the people who are over-burdened by taxation in a hundred and one ways.

The Honourable Sir Basil Blackett: I think it is time we came to the question that is before us—can we make a cut of 50 lakhs in the Post Office expenditure this year? (*Several Honourable Members:* "Yes.") It has been perfectly clearly proved that it cannot be done by retrenchments or special economies. It has been perfectly clearly proved that whatever economies will result from the application of the Ryan Committee's Report, which I hope will be applied and will cause some economies, we cannot hope for anything much from that in the year 1926-27. It has also been proved quite clearly by Sir Bhupendra Nath Mitra that we cannot reduce the charge for depreciation if we are to keep our block value up to the standard. It has been shown quite clearly that the charge for interest is justifiable on any system of commercial accounting, but it is suggested that we should not charge it. Very well. There is no kind of reason why you should not charge it, but it is suggested that you should not charge it. It has been pointed out that if you do not charge it, it simply means an increase in the charge of debt under the head of Interest. It does not increase or decrease the general surplus for 1926-27. It alters the figures of the Post Office quite unjustifiably and it is used therefore as an argument for reducing postal rates. Mr. Ramachandra Rao put his finger on it when he said that if you want the postal rates to be reduced, you must tax somebody else. Mr. Ramachandra Rao suggested—put up Income-tax. You cannot do it without putting up taxation in some form or another.

Diwan Bahadur M. Ramachandra Rao: I did not say that.

The Honourable Sir Basil Blackett: It will be within the recollection of the House that Mr. Ramachandra Rao suggested that Sir Sivaswamy Aiyer's or Mr. Rangachariar's income-tax should be increased in order to pay for the reduction of postal rates. You cannot find 57 lakhs from nowhere. It must be found from somewhere.

Diwan Bahadur T. Rangachariar: From the surplus.

The Honourable Sir Basil Blackett: Finally, it is suggested that it should be found from the surplus. How can you find it from the surplus, which is only 130 lakhs, from which 125 lakhs is required towards the reduction of provincial contributions? Now, I say there is no justification whatsoever for running the Post Office—I leave out the Telegraph Office for a moment—at a loss. It is quite unjustifiable to run the Post Office at a loss. The worst thing that you could do in the interests of the country and in the interests of the tax-payers taken as a whole in the country at the present moment would be to embark on a policy of subsidising the carriage of letters and postcards at the expense of the tax-payer. Of course there will be an increase of traffic. But for such an increase you would imme-

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diately have to pay a very much larger subsidy because, as Mr. Sim pointed out the other day, it is like the Irishman who said that he could make any amount of profit by selling oranges at a loss if he only sold enough of them. That is what the House is proposing to-day. It is not possible to make this cut of 50 lakhs because if you make it you cannot carry your traffic which we estimate we shall be required to carry. Either you must not carry the traffic or you must incur this expenditure. So far as this cut is concerned it is perfectly obvious that you cannot make it on any basis that has any relation to facts. I know the House is very anxious, if it only could do so, to reduce postal rates. I tell the House perfectly plainly that the idea that you can ever reduce postage to the rates at which it stood before the war unless there is some very big change in general prices is one which we ought to give up at once, because in hoping for it we are crying for the moon. You cannot reduce postal rates to those figures unless you are prepared to charge the tax-payer year by year an increasing sum in order to carry the mails. (*Some Honourable Members*: "Make some reduction.")

Diwan Bahadur T. Rangachariar: Make a reduction only in postcards.

The Honourable Sir Basil Blackett: Postcards are probably the last thing the rates for which can be reduced. If you do so, you would cut the letter traffic more than ever. If you are going to reduce it further, you are going to carry it at an increasing loss. I know the House attaches very great importance to this. Mr. Rangachariar appealed to the Government for co-operation and said that the Government should do something for the good of the country. Is it for the good of the country to increase the country's taxation? You cannot reduce your postal rates unless you are prepared in some form or another to increase the taxation of the country. How can we do it except by charging the tax-payer something in order to carry your letters and postcards cheaper? I say that that is very objectionable. The House has the issue perfectly clearly before it. It is very anxious to do something popular. That is the very worst motive by which any representative Assembly can be carried away when it is considering a financial subject.

Mr. President: The question is:

"That the Demand under the head Indian Postal and Telegraph Department be reduced by Rs. 50 lakhs."

The Assembly divided:

AYES—28.

Abul Kasem, Maulvi.
Ahmad Ali Khan, Mr.
Ahmed, Mr. K.
Aiyangar, Mr. K. Rama.
Alimuzzaman Chowdhry, Khan
Bahadur.
Ariff, Mr. Yacoub C.
Das, Mr. B.
Dumasia, Mr. N. M.
Ghazanfar Ali Khan, Raja.
Ghose, Mr. S. C.
Ghulam Abbas, Sayyad.
Ghulam Bari, Khan Bahadur.
Gour, Sir Hari Singh.
Hussanally, Khan Bahadur W. M.
Jeelani, Haji S. A. K.

Jinnah, Mr. M. A.
Lohokare, Dr. K. G.
Mahmood Schannad Sahib Bahadur,
Mr.
Malaviya, Pandit Madan Mohan.
Muhammad Ismail, Khan Bahadur
Saiyid.
Mutalik, Sardar V. N.
Neogy, Mr. K. C.
Pal, Mr. Bipin Chandra.
Ramachandra Rao, Diwan Bahadur M.
Rangachariar, Diwan Bahadur T.
Sadiq Hasan, Mr. S.
Venkatapatiraju, Mr. B.
Yakub, Maulvi Muhammad.

NOES—42.

Abdul Qaiyum, Nawab Sir Sahibzada.
 Ajab Khan, Captain.
 Akram Hussain, Prince A. M. M.
 Bajpai, Mr. R. S.
 Bhore, Mr. J. W.
 Blackett, The Honourable Sir Basil.
 Bray, Sir Denys.
 Burdon, Mr. E.
 Calvert, Mr. H.
 Carey, Sir Willoughby.
 Clow, Mr. A. G.
 Cocke, Mr. H. G.
 Crawford, Colonel J. D.
 Dalal, Sardar B. A.
 Donovan, Mr. J. T.
 Gidney, Lieut.-Colonel H. A. J.
 Gordon, Mr. R. G.
 Graham, Mr. L.
 Hazlett, Mr. J.
 Hira Singh Brar, Sardar Bahadur
 Captain.
 Hudson, Mr. W. F.
 Innes, The Honourable Sir Charles.

Jatar, Mr. K. S.
 Lloyd, Mr. A. H.
 Macphail, The Rev. Dr. E. M.
 Makan, Khan Sahib M. E.
 Mitra, The Honourable Sir Bhupendra
 Nath.
 Muddiman, The Honourable Sir
 Alexander.
 Naidu, Rao Bahadur M. C.
 Neave, Mr. E. R.
 Owens, Lieut.-Col. F. C.
 Rahman, Khan Bahadur A.
 Rau, Mr. P. R.
 Roffey, Mr. E. S.
 Sams, Mr. H. A.
 Singh, Rai Bahadur S. N.
 Stanyon, Colonel Sir Henry.
 Sykes, Mr. E. F.
 Tonkinson, Mr. H.
 Vernon, Mr. H. A. B.
 Vijayaraghavacharyar, Sir
 Tiruvalangadi.
 Willson, Mr. W. S. J.

The motion was negatived.

(Several Honourable Members to Mr. Joshi, whose motion was next on the list: "Withdraw, withdraw.")

Mr. President: Order, order. I must protect the Honourable Member. It is for him to decide whether he should move his motion or not.

Mr. N. M. Joshi: Sir, I am going to move it.

Grievances of postal employees.

Mr. N. M. Joshi (Nominated: Labour Interests): Sir, I move:

"That the Demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 1,000."

My object in asking this House to make the reduction is to draw attention to the grievances of postal employees. The House will remember that last year we passed a Resolution asking the Government of India to inquire into these grievances. I am very glad that the Honourable Member in charge of the Department made an inquiry. He interviewed several of the postal employees and I am also glad that during this year he has made certain proposals for improving their prospects. I feel, Sir, that although the Honourable Member has shown some sympathy and has also taken some action for improving the prospects of the postal employees, he could have shown a little more sympathy and taken a little greater action and also shown greater appreciation of the hardships of the postal employees.

Sir, I am very thankful to the Honourable Member for what he has done. He is going to increase the salaries of the postal clerks in some towns to some extent. He is also going to provide for casual leave in some cases. He is also going to give some house rent allowances to some sections of the postmen. But, Sir, I feel that he has not done full justice to the employees of his Department. I am very glad that he admits the fact that the postal employees are sweated, but if they are sweated then it is

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his duty to see that the sweating is put a stop to immediately. But, Sir, when he makes a statement about the grievances of postal employees and puts before us his views on those grievances, I think he has done them great injustice. The main grievance of the postal employees is about their pay and allowances, and as regards this matter although he admits that there is sweating, he has not done enough. I know, Sir, that he has not yet completed his inquiries and I have therefore some hope that when he completes them he will be able to do justice to the men of his Department. I feel that he is under some misapprehension when he talks of the salaries of the employees of the Local Governments in several departments and compares the salaries of the postal employees and the salaries of the Local Government employees. But, Sir, he does not compare the hours of work which these two sets of people have to work. The Local Government clerks generally work for six hours a day but the postal clerks work for 8 hours a day, so when he talks about the salaries being equal he must see how long each set of people work. If the Local Governments pay Rs. 60 a month to their clerks in Bombay City, he ought to pay at least one quarter more to the postal employees because you work them for 2 hours more. In the same way the postal employees get a small number of holidays and in many cases they have to work on Sundays.

Now, if the Honourable Member has not done sufficient justice to the position of clerks, as regards postmen he has not done them any justice. Although the postmen put forward this grievance as regards salaries, I do not find any reference to the salaries of the postmen in the statement which he has issued. I want to know whether he considers the salaries which are paid to the postmen at the present time are adequate salaries. Take Bombay City where the postmen's minimum salary is Rs. 27 with house rent allowance of Rs. 7 per month. He gets therefore every month Rs. 34 when he works even on Sundays and when he does not get holidays and works for two hours more than the hours worked by the employees of Local Governments. Now, Sir, in Bombay an ordinary weaver working in a cotton mill gets Rs. 40 at least. He may get a little more.

An Honourable Member: What about pension?

Mr. N. M. Joshi: Yes, pension, but it does not come to very much, and moreover, if you calculate it, how many postmen live to enjoy their pensions. You will find that very few as a matter of fact do live to the age when they enjoy their pensions. On one occasion I asked Government to supply me with figures of postmen who lived to enjoy pension, and I was refused those figures. I know why Government did not supply me with those figures. Sir, the postmen are very inadequately paid. I quoted the instances of postmen in a city like Bombay. Now take the village postman. The representatives of the postmen placed before Government the difficulties of village postmen who have to go from one village to another. Sometimes a postman goes out distributing letters from village to village and does not return home for about eight days, and they claim certain allowances for being on tour for seven days every week. But Government's reply is that that is the condition of their service. If that is the condition of their service, you must also give them adequate pay. Take a postman in a bigger village; he does not leave his village, and he gets the same pay as the postman who goes to 50 villages in eight days. A postman in a village gets the same pay as a postman who has to visit

50 villages in a week. Certainly you are not giving the same conditions of service to these men.

Then, Sir, there is the question of the runners. These runners are not considered to be men of what is called the superior service. They are called menials and when the representatives of the employees asked Government to treat them as belonging to the superior service and asked them to give them leave and pensions on the same scale on which men in the superior service got their pension and leave they were told that these people are regarded as menials. This is a very curious thing. You first treat a certain class of people as menials, and then say they will not get the privileges of the higher services. But who asked you to treat these runners, who have to do their work at the risk of their lives by going over deserts and by sometimes wading through floods, as menials? Why should you treat them as menials? They do very important work; they do very responsible work; they also do very dangerous work. You ought to treat them as men belonging to the superior service. I therefore think that the Honourable Member in charge of the Department has not done full justice to the runners.

Then, Sir, in some cases the proposals which he has placed before the Standing Finance Committee are actually retrograde. I learn that in Madras the minimum salaries of the clerks are going to be reduced from Rs. 45 to Rs. 40. That is a revision with a vengeance! Sir, I want the Honourable Member to consider the grievances of these men again very carefully and very sympathetically. Sir, I am not unmindful of what he has done, but the grievances are so serious that I think he has not done enough. I know, Sir, when I began speaking, many Members asked me about the money that will be required for paying the employees more than they are paid at present. Sir, if you want employees to do their work properly, you ought to pay them properly. It is not the business of the employees to tell you how the money is to be got. You do not ask the employees how the Government should be run and how the Department is to be administered. If you give a voice to the employees in administering your Department, you may have some justification in asking the employees to find the money. What the employees say is this, that they require a certain minimum living wage for their maintenance, and if you want people to do their work properly, you must give them a certain minimum living wage; and it is no business of the employees to suggest to you from what source the money should come. If you want suggestions to come from the employees as regards the money, then certainly you should hand your Department over to these employees who are asking for better conditions of service.

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Sir, I shall only make one suggestion to the Honourable Member before I sit down. Let him make up his mind to improve the conditions of the men of his Department. I am very glad that he admits that his men are sweated. Therefore, he should try his very best to secure money from the Finance Department, and then if he cannot give what the employees ask for, let him at least give them something which will be substantial, which they will prize very highly. Your proposals are something; I do not say they are nothing; they give some relief to the employee but they want, in the first place, a substantial addition to their salaries, say Rs. 5 or Rs. 8 a month. The expenditure will not be so high that Government will not be able to find the money. The House has just pointed out to Government that there are ways in which some of the money

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may be saved, and money may be found. I therefore think that the Honourable Member should consider the grievances of the postal employees very sympathetically, and when he gives relief, he should see that the men get the relief in the way in which they want it. I hope, Sir, the House will accept my motion.

Dr. K. G. Lohokare: Sir, I will not repeat the points taken by my friend Mr. Joshi, and I will just draw the attention of the House to some other points. In the case of the local allowances, I may point out that Local Governments have granted local allowances in many places. It is because of the dearer conditions of living that these local allowances have been given. It is very desirable that all subordinate officials should be treated in the same way, and therefore I would request the Member in charge to sanction such local allowances for the postal employees. In my own place, Poona, a local allowance is given by the Local Government to all the other subordinates of the province, but the postal people have not got that local allowance yet.

Secondly, Sir, the case of the Railway Mail Service sorters really deserves special sympathy. They have to travel and be out of their homes for more than 16 or 17 days in a month. They have to find their food in places where it is not so cheap at railway stations and hotels. As human beings they have to take fresh food and we all know that fresh food in a strange place always costs something more than it would cost them in their own homes. Some sort of travelling allowance for the days they travel away from their homes is therefore absolutely necessary. The question of the scale of pay appropriate to their service conditions of continuous travel and work by night is yet under consideration, but till then I wish at least that some consideration should be shown to these men.

Lastly, there is the case of village postmen who have to be away from their homes on duty. Some sort of extra allowance to cover the cost of dearer food in places far from their own homes is absolutely necessary in these cases too. The question of equalising the pay of the Railway Mail Service with that of the Post Office is mentioned as being yet under consideration in the reply given by the Honourable Member to the Railway Mail Service and the Postal Union. I hope, Sir, that the further examination of their case and the decision thereon will soon come to termination and that the Honourable Member will give some consideration to the points that I have just mentioned. With these few words, Sir, I support the motion moved by Mr. Joshi.

The Honourable Sir Bhupendra Nath Mitra: Sir, if I may say so, I am between the devil and the deep sea. (*Maulvi Muhammad Yaqub:* "Who is the devil and who is the deep sea?") My Honourable friend, Mr. Rama Aiyangar, wanted to cut my demand under Working Expenses, etc., of the Postal and Telegraph Department by 50 lakhs, which as I said in that connection would have paralysed the work and efficiency of the Department. My Honourable friends, Mr. Joshi and Dr. Lohokare, on the other hand want me to raise everybody's pay. I think Mr. Joshi said that I ought to raise everybody's pay by Rs. 5 a month. Now there are about 100,000 employees in the Post and Telegraph Department, and if I were to accept Mr. Joshi's suggestion, I would have to ask my friend Mr. Rama Aiyangar to give me another 50 lakhs instead of taking away the 50 lakhs he wanted to.

I think at the outset it is my duty to remove a misapprehension which Mr. Joshi seems to have fallen into. He has quoted me as saying that the staff in the Postal and Telegraph Department is sweated. I do not recollect having made any such statement. I said I refused to agree to Mr. Rama Aiyangar's cut as its inevitable result would be the sweating of staff in the Postal and Telegraph Department. I am afraid there is another slip in Mr. Joshi's speech. He said that the House last year passed a Resolution recommending the appointment of a committee to examine the grievances of the postal staff. The debate on the Resolution took place on the 12th February, 1925, but the House did not pass the Resolution.

Mr. N. M. Joshi: But you agreed to the inquiry.

The Honourable Sir Bhupendra Nath Mitra: Not to an inquiry by a committee, which is quite a different matter. I said I would personally go into these grievances of the subordinate employees; I never agreed to a committee.

Now, Sir, I shall deal with one or two specific points referred to by my friend Mr. Joshi and also incidentally by my friend Dr. Lohokare. The first point is this. Mr. Joshi takes exception to a comparison between the rates of pay of the postal subordinates and those of the local employees of Government. He said that the postal subordinate has got to work 8 hours while the others work only 6 and that the postal subordinates have got fewer holidays. Now I have made some investigations in the matter and I have found for example that the clerks in Madras in the mofussil begin on a pay of Rs. 35 and the maximum to which they can rise is Rs. 60. The postal clerk outside the city of Madras starts on a pay of Rs. 35 but goes up, by the automatic operation of the time-scale to Rs. 120 which is double the maximum rate of pay received by the Local Government clerk. Now is not that sufficient recompense for the longer hours of work undertaken by the postal clerk and for the loss of his holidays? We then come to the city of Madras to which my Honourable friend Mr. Joshi specifically referred. Now there the Local Government's clerks start on Rs. 40 and rise to Rs. 65. Well, in the revised rates of pay which I placed before the Standing Finance Committee, I proposed a rate of pay of Rs. 40—5—100—4—140 and this was agreed to by the Standing Finance Committee. Now, Sir, there again the maximum is much higher than is allowed by the Madras Government to its own clerks, and is not that adequate remuneration? Mr. Joshi has next referred to the fact that in the revised rates of pay for Madras the minimum has been reduced from Rs. 45 to Rs. 40. Now, Sir, that is perfectly correct, the position being that, whereas under the old scale a postal clerk used to draw Rs. 45 in the first 2 years of service, under the new rate of pay he will draw Rs. 40 in the first year and Rs. 45 in the second year. But the reduction in the initial rate of pay is not likely to affect any existing incumbent: it applies to future recruits. I could not justify a higher minimum than Rs. 40 for the postal clerk in Madras, in view of the fact that the clerks in the Civil Accounts offices who before the war were getting the same minimum as clerks in the Post Office are now started on a minimum of Rs. 40. That is my explanation for the reduction that has been made in the initial pay of the postal clerk in Madras city. At the same time the revised rate of

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pay will enable him to rise up to his maximum in a shorter period than the existing time-scale rate. Mr. Joshi then referred to the postman in Bombay. He said that the minimum pay of the postman in Bombay is Rs. 27 plus a house rent of Rs. 7—total Rs. 34. He omitted to mention that the maximum pay is Rs. 45. If he reaches his maximum he gets Rs. 52 including the house rent. Further he is entitled to pension on the superior scale; and I do not know what justification Mr. Joshi had for his statement that very few of these people live to get a pension.

Mr. N. M. Joshi: I wanted an investigation into the facts, which I have been refused so many times.

The Honourable Sir Bhupendra Nath Mitra: Well I have no recollection of that at the present moment. Mr. Joshi then talked about the inferior servants. Well, I think what he stated in that connection is not entirely correct. Under our pension rules we have classed certain officers as superior officers for the purpose of those rules and certain officers are classed as inferior; and runners, by whatever name you may call them, will be classed under the rules as inferior servants. That is the position. If we want to give the runners pension on the superior scale there are numbers of other servants of Government in various other departments whose claim to pension on the superior scale cannot possibly be refused.

Dr. Lohokare referred to the case of the Railway Mail Service sorters. I have heard from Mr. Rama Aiyangar that with reference to a recommendation of the Ryan Committee the rates of pay of these men should be reduced. Well, the position is a complicated one. It may be possible to reduce the pay of a certain number of appointments, not of the existing incumbents but of future recruits, but until we have examined the matter fully it is not possible for me to make any proposals for the increase of pay of the other clerks and sorters of the Railway Mail Service. Dr. Lohokare also referred to certain disabilities under which Railway Mail Service clerks and village postmen labour, inasmuch as they have to tour constantly. There may be those disabilities, but I should remind him of the fact that the Postal Committee of 1920 took those disabilities into account specifically before they recommended for them the rates of pay which they proposed. Still, as I made it clear in the memorandum which went before the Standing Finance Committee and also in the document which was placed before this House some days ago, I have not yet completed my examination of all these grievances and therefore it is not possible for me at the present moment to say more on this subject.

Mr. President: The question is:

“That the Demand under the head ‘Indian Postal and Telegraph Department’ be reduced by Rs. 1,000.”

The motion was negatived.

Mr. President: As a result of this vote, motions Nos. 48, 49, 50, 53, 54 and 55 drop out.

Amounts to be credited to postal revenue for services rendered.

Mr. K. Rama Aiyangar: Sir, on motion No. 56 I shall have only a few words to say. I move:

"That the Demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 100."

The object of this motion is to draw the attention of the Government to the fact that many items of credit that ought to be given to the Post and Telegraph Department are not being given credit to. The main items which I would ask the Honourable Member in charge to take note of and immediately try to give credit to are (1) share of marine subsidies and (2) of services rendered to Native States. Up till 1923-24, 4.97 and 9.19 lakhs were given credit to to the Department. Now there is no credit given to the Department under this head. I want that this may be done. In the course of the previous discussion we found also that the Departments which receive benefit from the Postal and Telegraph Department should contribute. I know on a previous occasion it was tried to be explained away but I do not think it should be allowed to lie like that. The second item is under the Savings Bank account. There is a credit of 2½ lakhs which ought to be given further, for this reason. I find that since 1923-24 there has been an increase in the total transactions of the Savings Bank but there is no proportionate credit given. 23.18 was the amount that was credited to the Postal Department some time ago. It is only 20.51 now though there is 6 per cent. more of transactions. I want that matter to be looked into and proper credit given. Then turning to the portion given to the civil departments, the amount has been increased from 19 to 45 lakhs. I submit, Sir, that in ordinary calculations it is not possible to justify this jump. This has been done only last year. What calculation was made to increase it from the smaller amount to the higher, I cannot follow, but I do contend that, if there is any reason why it should be so, it will be well to explain the position of the Government in the matter. Another point that I want to place before the Government is the question whether they are giving full credit to the revenue on the postal side as compared with telegraph, because taking the lowest rates for the total transactions in the Postal Department I find that the credit to be given to the Postal Department alone will be 6.27 crores but credit is only given for 5.87. There is more credit given to the Telegraph Department than ought to be given, because the postal articles if they are calculated would give much more. The reasons for it will have to be investigated and proper decision arrived at. These are the several items which I want to place before the Government to look into, so that proper credit may be given to the Postal Department.

The Honourable Sir Bhupendra Nath Mitra: The various matters to which my Honourable friend refers have already been looked into by Government. His first point is that the Postal Department has now ceased to receive certain credits which used to be taken two or three years ago in the Administration Report of the Department, for services rendered to the Marine Department and to Indian States. The matter was very carefully examined by me last year with the help of the Financial Adviser, and I was satisfied that the statements made in the Administration Reports were unfounded. The first item refers to payments made to certain shipping companies and these payments are no more than what the Department must incur for the services it wants to maintain. The second item

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refers to certain payments to Indian States for the taking over by the Department of the postal work in the areas of the States. That arrangement has developed the business of the Department and is bringing it additional revenue. It would be impossible now to say whether the arrangement taken as a whole is resulting in any net loss or any net gain larger than the transactions of the Department taken as a whole. Mr. Rama Aiyangar's next point is that the credit which the Department receives in connection with the management of post office savings banks is inadequate. Well, I did not catch his figures, but I find as a matter of fact that the credit has gone up from 19.75 lakhs in 1924-25 to 22.12 lakhs in the Budget for 1926-27. Anyhow, the credit is given with reference to a formula which had the approval of the Auditor General, and naturally it is for the Accountant General to see whether the calculation is or is not in accordance with the formula. I cannot possibly check every calculation given in this book. Mr. Rama Aiyangar's next point is in connection with the increased amount which we now pay to Provincial Governments as their share of revenue from the sale of unified postal and revenue stamps. Now the increased payment had to be conceded because it was established that the Provincial Governments had not received their proper share of the ordinary increase in revenue from this source between the year 1906—that is about 20 years ago when the figure of 19 lakhs was fixed—and 1923, when a recalculation was made. Nor had they received the benefit of the increase made in 1923 in the rate of duty on certain classes of documents on which unified stamps were used. The calculations were carefully made by the Finance Department in consultation with the Local Governments and I see no reason to doubt their accuracy. I know of course that Mr. Rama Aiyangar doubts the accuracy of all Government figures and then produces figures which are unintelligible to us. Mr. Rama Aiyangar's last point is that he questions the allocation of revenue to the Telegraph Department. Well I will explain to him the method we follow. Two weekly counts are made during the year to find out the number of telegrams, and the revenue from them, during those two weeks. On the basis of those figures, and a proportionate computation, the share of the revenue to be credited to the telegraph branch of the Department is worked out. Here again the calculation is made by the Accounts people and I have no reason to doubt that their calculations are in any way inaccurate.

Mr. K. Rama Aiyangar: I beg leave to withdraw my amendment.

The motion was, by leave of the Assembly, withdrawn.

Cost of agency in the Telegraph Department.

Diwan Bahadur T. Rangachariar: Sir, I only wish to emphasise three points in connection with my motion No. 59 which is already receiving the attention of the department. It appears to me that we are working the Telegraphs and Telephones at a loss. In the last year and in the coming year we are in fact budgetting for a loss of nearly 30 lakhs under Telegraphs, and it appears to me that we must examine the cost of the agency carefully. There are two matters pointed out by the Ryan Committee which I think important, namely, whether we are not maintaining a larger

ratio of operators in comparison with the number of messages sent. The present number of messages per operator is I think 42,000; whereas the Ryan Committee calculate that 47,000 messages can be safely calculated as a basis for the number of operators required. That will give a very large saving indeed. In fact I remember in the Telegraph Committee of 1921 I handed to the Department a letter which I received as President of that Committee from an operator himself. He showed the various ways in which the operators are not doing such work as they ought to do. I handed it along with my report. The letter showed the various ways in which the operators evade work. Therefore, it seems to me that while the employees require larger wages we must expect at least a reasonable output from them. Even on the basis of 42,000 messages per operator, we have more operators than are needed. I find from the last administration report that 3,092 telegraphists are entertained. I do not know what the present number is as I have not been able to get at the figure; but even calculating it on the 42,000 messages basis, the number is too large. In fact the Retrenchment Committee pointed that out at page 94 of their Report, and I am glad to note that the Ryan Committee have not lost sight of it and are also emphasising the point, that the proportion of operators to the number of messages is unduly large. The second point which they emphasise is as regards the proportion between general service telegraphists and station service telegraphists. The proportion is unduly large. We are now maintaining 80 per cent. for the general service, which is a very costly business, and only 20 per cent. for station service. I do not think that now-a-days transfers are needed from province to province. You can get recruits in most of the provinces as telegraphists and I do not think the exigencies of the service require such a large proportion of general service men. General service is a very costly and troublesome service to deal with, and the Honourable Member will, I am sure, share that view. I therefore think that it would be as well, as recommended by the Ryan Committee, that the proportion should be 50 and 50 between the general and station services. 80 to 20 is unduly large, and I think considerations of economy require that we should effect that change. There are various other matters which are perhaps of minor importance. While I am anxious that the employees should get fair and just treatment, it is but right also that the employer should get full benefit out of the services. On these two matters I think that a careful scrutiny is needed: and if that scrutiny is carried out, I am sure the cost of the agency will not be large. It must also be remembered that with the increase in allowances or increments the cost of the Telegraph Department is bound to go up, and you cannot afford to increase the telegraph rates hereafter. You would have a universal complaint year after year from the postal side that you are sacrificing the Postal Department to benefit the Telegraph Department. Therefore, the Telegraph Department must be made to pay its own pay. It cannot be done by increasing the rates, because the increase of rates will not increase the traffic, and, on the other hand, it will be very unpopular. Therefore, the only other way of making the telegraph side pay is by looking round and seeing whether we are not maintaining too large and too costly a staff. These are the two matters which I wish to press upon the attention of Government. Sir, I move:

“That the Demand under the head ‘Indian Postal and Telegraph Department’ be reduced by Rs. 100.”

Dr. K. G. Lohokare: Sir, after the attempt on the part of the Finance Department to commercialize the accounts of this Department I was under the impression that they would take steps to see that the cost of this agency fulfilled the dictum of the commercial system, namely, that the working cost should be at least somewhere near the receipts. We are however, Sir, in this House in a position which makes us think or rather feel how we are placed. The official Benches, with all their paraphernalia behind them and fat salaries in their pockets, are ever prepared with whatever pretexts they find and take a delight in abusing Members who offer criticisms on subjects to which the paid Members ought to pay better attention. Sir, they are but Honourable gentlemen after all. Even if they delight in thus calling us names, I do not stoop down to that level. I simply invite the attention of the House and ask that the Honourable Members should look into the recommendations and the proposal put forward by Diwan Bahadur Rangachariar and see their way to understand that a commercial service is really commercial and not a losing concern to the State.

The Honourable Sir Bhupendra Nath Mitra: Sir, I owe my Honourable friend, Mr. Ragachariar, an apology for not having removed earlier in the debate a misapprehension under which he probably labours and which may to some extent have resulted also in this particular motion. In speaking on the motion for the cut of 50 lakhs he referred to the fact that the expenditure on Telegraph Traffic had increased from Rs. 1,22,56,000 in 1924-25 to Rs. 1,52,78,000 in the budget estimate of 1926-27. If my Honourable friend will turn to the details given on page 39 of the Budget, he will find that 26 lakhs of this increase arises from the fact that since 1925-26 we have been allocating to the Telegraph Traffic head a portion of the cost of the combined offices. This share used not to be charged to that head in 1924-25. But as our allocation is becoming more complete, charges of this sort have to be debited to that head. Therefore the real increase in expenditure under the head between the budget estimate of 1926-27 and the actuals for 1924-25 amounts to only about 4 lakhs. That is due to traffic conditions and to the increments to which my friend referred just now.

My Honourable friend also suggested that steps should be taken to see that the departmental telegraphist puts in his proper outturn of work. Well, steps are taken by the employment of supervising officers, etc., to secure that object. Here again there is another point which I had overlooked in dealing with my Honourable friend, Mr. Rama Aiyangar, before. The Ryan Committee did recommend that the annual outturn should be raised to 47,000 messages per operator, but they said—a point which my friend has overlooked—that this was to be done in large offices only. As it would have been inconvenient to adopt one standard for large offices and another standard for small offices, on the advice of the Director General, Government adopted a standard of 45,000 messages for all offices.

Now the next question to which my Honourable friend Mr. Rangachariar referred was the excess in the strength of the departmental telegraphists. Well, I admit that a certain amount of excess does exist. My friend, Mr. Rama Aiyangar, worked it out, and he gave it at about 800. I do not think that it is even as high as that. (Mr. K. Rama Aiyangar: "240".) Well, it is not a very large excess, and I am not sure that the excess is as much as 240. The only way you can get rid of that excess immediately would be by sending these men on to the pension list.

Diwan Bahadur T. Rangachariar: Do not fill up vacancies.

The Honourable Sir Bhupendra Nath Mitra: In fact the whole question of the future cadre of these departmental telegraphists is now under careful examination.

Then my Honourable friend also referred to the necessity from the point of view of a commercial department of accepting as early as possible that recommendation of the Ryan Committee which refers to the increase in the strength of the local service departmental telegraphists. There again the matter is receiving our anxious and careful consideration. At the same time I think it is only proper that I should tell my friend that the local service telegraphists are at the present moment agitating to get the rate of pay which the general service telegraphists are receiving, and the Telegraph Association at one of their interviews with me warned me that we should have to concede the increase of pay sooner or later.

***Diwan Bahadur M. Ramachandra Rao:** Sir, I should like to ask the Honourable Member in charge of the Department what his future policy is going to be in regard to the vacancies that are likely to arise in the general service. He has told us nothing on that matter. The Ryan Committee has made a distinct recommendation that the combined post offices should be extended, and that as far as possible the cadre of the general service should be curtailed. I ask the Honourable Member what will be the future policy of the Government of India in regard to this matter. The Report has been before them now for some considerable time, and I know, Sir, that we have every reason to be satisfied with the way in which public business is conducted even by the Government of India. So I shall bring up that matter at a later stage of these proceedings, if I get a chance. I ask the Honourable Member definitely to state that he will not recruit to the general service till he comes to a final decision on this matter; otherwise you will be merely perpetuating the increase of a cadre which did not receive the approval of the Ryan Committee. Our difficulty in regard to these matters is that the consideration of these things goes on merrily for some years between the Departments, and thereby the existing state of things is accentuated, and the scales of pay and cadres about which recommendations have been made are continued.

Diwan Bahadur T. Rangachariar: And vested interests are created.

Diwan Bahadur M. Ramachandra Rao: Of course my Honourable friend referred to the agitation of the local service men to get the same scales of pay as the general service men. One of our difficulties is that we here represent no particular service or no particular set of public servants. We are here on behalf of the people to see that they are not unduly taxed for running the administration. We are perfectly willing to consider any reasonable proposals. Of course we had the spectacle of the Lee Commission. So far as the Military services are concerned, their charge is Rs. 50 lakhs without one word in this House. Now, all public services are coming up, are agitating and I know the Honourable Member had considerable trouble in the interview which he had with telegraphists in Calcutta. We are anxious for economy and every possible step ought to be taken for keeping this cost of running the public administration at as low a level as possible. The Honourable

*Speech not corrected by the Honourable Member.

[Diwan Bahadur M. Ramachandra Rao.]

Sir Basil Blackett and every Member of Government is aware that our taxation is still at the same rate as it was in 1922-23. I want a definite statement from my Honourable friend that, so far as the future is concerned, he will not recruit to the general service cadre and will not fill up those vacancies till he comes to a decision.

The Honourable Sir Bhupendra Nath Mitra: Sir, my recollection is that I stated on the floor of this House some time ago that recruitment to the ranks of departmental telegraphists,—general service telegraphists,—has been stopped except to the limited extent that is necessary to meet certain commitments of Government for two years. I think I said that in reply to a question some months ago. That is my recollection.

Diwan Bahadur M. Ramachandra Rao: Is that commercialisation?

The Honourable Sir Bhupendra Nath Mitra: If we have some commitments, we must honour those commitments. Apart from that, we have stopped recruitment.

Diwan Bahadur T. Rangachariar: When do those commitments expire?

The Honourable Sir Bhupendra Nath Mitra: I believe they will expire next year. About the other question which my friend asked about the local service telegraphists, the position is perfectly simple. If it becomes necessary that their pay should be increased, the matter will go before the Standing Finance Committee. Nothing certainly will be done until they have approved of any proposals in this connection.

Diwan Bahadur M. Ramachandra Rao: What about the extension of the combined system?

The Honourable Sir Bhupendra Nath Mitra: I have said about that in the document placed on the table of this House some time ago that in principle Government accepts it.

Diwan Bahadur M. Ramachandra Rao: In practice you would not care to do anything.

The Honourable Sir Bhupendra Nath Mitra: My Honourable friend does not realise the position. The position is one fraught with difficulties and we have to tackle it carefully. It is impossible to order by a stroke of the pen that so many offices should be converted from the departmental to the combined category. In the first place, what about the men? As I told my Honourable friend Diwan Bahadur Rangachariar, there are a certain number of men who will become surplus. What are you going to do with those surplus men? Are you going to pension them? I believe my friend Mr. Rama Aiyangar admitted that it was better to keep them instead of pensioning them and putting in their place postal clerks to do the work in the combined office.

Diwan Bahadur T. Rangachariar: I beg leave to withdraw the motion.

The motion was, by leave of the Assembly, withdrawn.

Grievances of the Engineering Branch of the Telegraph Department.

Lieutenant-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): Sir, my remarks will be very few in moving the motion, which stands in my name:

"That the Demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 100."

My object is to obtain from Government a definite statement regarding the policy of working the Engineering Branch of the Telegraph Department. The question has arisen, Sir, in certain recent changes that were introduced in the Bombay and Central Circles, where a body of senior officers of the status of Directors in the superior Telegraph Engineering Department have been placed under the orders of the Postmasters General. These officers, Sir, are possessed of highly technical knowledge and they are of equal status as Postmasters General. To place them under the orders of officers of equal rank and status is naturally distasteful to them. When the amalgamation of the Post and Telegraph Departments took place in 1914, the Government of India gave, I believe, certain pledges regarding the interests, pay and prospects of all engineering officers and promised that these interests and prospects would be safeguarded in any changes that might be introduced in the future. The new scheme now introduced certainly does lower the prestige of these officers in comparison with other departmental men such as Postmasters General. It certainly does affect their personal and vested interests, and, I understand, it has given cause to a feeling of great discontent and hardship amongst the men. In 1924 a committee of inquiry, the Ryan Committee, was appointed, to inquire into the working of the Post and Telegraph Departments with the intention of effecting economy by a reorganisation of these Departments. Amongst the many suggestions made one was that it was the considered opinion of this Committee that any further amalgamation between the Post and Telegraph Departments was to be deprecated, in so far as it is attended with very serious practical difficulties many of them being insuperable. I understand that Mr. Roy, whose absence here to-day we regret, as Director General of this Department, expressed himself in no uncertain terms in regard to this very same matter. I believe on page 8 of his report he quoted the evidence or statements of six other Postmasters General who were very definitely of opinion that any further amalgamation between these two Departments was not desirable, indeed, I believe, the consensus of opinion among Postmasters General is that it would be distinctly unworkable and undesirable to burden the non-technical Postmasters General with the highly technical work of these superior engineering officers. It will, therefore, be very interesting, Sir, to know, why, in spite of this mass of expert advice of senior and responsible officers—why, in the face of this condemnation as expressed by the Ryan Committee, this new procedure has now been adopted and who is responsible for its introduction. It is well known that superior officers in the Telegraph Engineering Department have from time to time been employed as Postmasters General and worked satisfactorily as such. Indeed, Mr. Roy, a superior Telegraph Engineering Officer, is to-day Director General of the Post and Telegraph Departments. Would it not, I ask, be a more economical and more efficient arrangement if such officers were placed in charge of unified circles, such as exist to-day, I understand, in Burma, and in Sind and Baluchistan on a smaller scale? It must be obvious to Members of this House that it will be very easy for these Engineering Officers, technical officers as they are, to pick up the easier postal work required

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from Postmasters General. On the other hand, it is obviously impossible for non-technical officers, as Postmasters General undoubtedly are, to pick up the highly technical knowledge required to administer the work of superior engineering officers. I await a reply from the Honourable Member on this matter. The other point, I desire to refer to is this. Is it not Government's policy to replace the I. C. S. element as Postmasters General in the Postal and Telegraph Departments by departmental officers? I know it has been declared that it is. But what I want to know is what steps are to-day being taken to give effect to that policy. These are the two reasons why I move this cut of Rs. 100.

The Honourable Sir Bhupendra Nath Mitra: Sir, my Honourable friend Colonel Gidney was not wholly correct in the statement with which he began his speech. In the Central Circle we had no engineering officer functioning as Director of Engineering. It is true that we have placed the engineering work in the Central Circle under the Postmaster General who is an officer of the Indian Civil Service. In Bombay, too, we have placed the Director of Circle Engineering under the Postmaster General. Now, it is true that the Ryan Committee made certain statements in regard to further amalgamation of the work of the department. My Honourable and gallant friend is not, however, quite correct in stating that Mr. G. P. Roy shared those views. Mr. Roy's views, as given in his separate note, were somewhat different. As a matter of fact, he supported further amalgamation, though his idea was the same as was referred to by Colonel Gidney later on in his speech, that the amalgamated circle should be placed mostly under telegraph engineering officers. Well, Sir, here is a question of vested interests. If you want to place all these amalgamated circles under the telegraph engineering officers, surely the postal officers will have a grievance. Anyhow, when I read the report and Mr. Roy's note, I came to the conclusion that here was a possibility of further economy, if not in the immediate future at least in the distant future. And out of this initial economy it may be possible to effect other economies. Therefore, we decided as an experimental measure to try this system in two circles in order to see whether the Postmaster General cannot be placed in combined charge of all the duties in his Circle, such as postal traffic, telegraph traffic and telegraph engineering. Until that experiment is proceeded with further it is impossible for us to say what its results will be. My Honourable friend Colonel Gidney seemed to assume that the work will not be efficiently conducted. That is begging the question. Even now I have every reason to believe that in one Circle the work is being done very efficiently and the same thing may happen in the other Circles. If the experiment succeeds, it will be possible for us to reduce a certain number of highly paid appointments and thus secure economies.

Lieutenant-Colonel H. A. J. Gidney: Is it the policy of the Government to interfere with the vested interests of these officers? I desire to know this clearly and definitely.

The Honourable Sir Bhupendra Nath Mitra: Sir, there is no question of interfering with vested interests. The officers recruited before 1914 have been guaranteed certain appointments carrying special rates of pay. There will be no interference with those appointments. The other complaint made was that an officer drawing the pay of a Director of an Engineering Circle has to work under a Postmaster General belonging to the

Indian Civil Service. That, Sir, is a purely sentimental grievance. Similarly, the Chief Engineer has got to work under the Director General, Posts and Telegraphs. Sir, that is the position. Now, Colonel Gidney also wanted to know—he wanted to have an assurance from me—that appointments now held by Postmasters General belonging to the Indian Civil Service should be transferred to engineering officers.

Lieutenant-Colonel H. A. J. Gidney: I never made that statement.

The Honourable Sir Bhupendra Nath Mitra: Then, he probably meant that these appointments should be transferred to departmental officers. I am not in a position yet to make any statement on the subject.

Lieutenant-Colonel H. A. J. Gidney: Sir, I did not make that statement exactly. I wanted to know when the policy of the Government to replace the Indian Civil Service officers in the Posts and Telegraphs by the departmental men was going to be put into further operation.

The Honourable Sir Bhupendra Nath Mitra: I do not know if that is the declared policy. I do not understand Col. Gidney.

Lieutenant-Colonel H. A. J. Gidney: Sir, after the remarks made by the Honourable Member, I beg to withdraw my motion.

The motion was, by leave of the Assembly, withdrawn.

Unsatisfactory postal service in rural areas.

Captain Ajab Khan (Punjab: Nominated Non-Official): Sir, the motion 6 P.M. that stands in my name runs as follows:

"That the Demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 5."

I would not like, at this late hour, to inflict a long speech on the House and I will try to explain my grievances in very few words. Sir, the rural areas are served with their mails twice a week. The dāk generally is sent from a small town sub-post office which is at a distance of 5 or 6 miles from the farthest village in its area. Sir, when one thinks of the improvements which have been effected of late, for the expeditious conveyance of letters in big towns, one becomes very dissatisfied with the way in which the rural areas are served by the Postal Department. The system of Postal service in the rural areas twice a week is, as far as I can remember, 40 years old. Though many improvements have been made in the urban areas for the expeditious conveyance of mails such as motor lorries and well dressed postal peons, yet so far as rural areas are concerned, there is no display of this zeal and energy. I really wonder if the Honourable Member in charge has any scheme for improving the postal service in the rural areas at all, because no improvement has been made for a very long time. I am told, Sir, that out of the postal income of a village or group of villages 62½ per cent. goes towards overhead charges which includes all expenses, and 37½ per cent. is the saving to the Government. Taking this income into consideration, I think most of the groups of villages should be entitled to have a small branch post office from which they could be served with the daily delivery of mails. But, Sir, the commercialization of the Postal Department has brought in another standard which, I think, will be very difficult to fulfil. It is this that over and above the existing postal income of a village or group of villages, there should be an increase of Rs. 82 a month before a new branch post office could be opened. Sir, this is rather an impossible standard to attain and I fear it will be very difficult to increase the postal earnings from a village or a group of villages by Rs. 82 a

[Captain Ajab Khan.]

month. Sir, even if a scheme can be drawn up by means of which deliveries of mails may be made in the villages every second day, it would give some satisfaction. But the system prevalent in rural areas has been stationary for the last forty years; and this means no credit to the Department concerned.

Nawab Sir Sahibzada Abdul Qayyum (North West Frontier Province: Nominated Non-Official): Are you sure of the bi-weekly service?

Captain Ajab Khan: I am quite sure.

Nawab Sir Sahibzada Abdul Qayyum: Many of these rural areas get their mails only once a week.

Captain Ajab Khan: Then you are even more backward. That is not the case in the Punjab.

Sardar Bahadur Captain Hira Singh Brar (Punjab: Nominated Non-Official): Sir, I never get my letters unless I send for them.

Captain Ajab Khan: You are still worse off. Sir, the people living in the villages are subjected to all the negligent treatment of Government, for instance, sanitation and communications, but the Post Office has also not lagged behind in neglecting them. I hope the Honourable Member in charge will take a favourable view of the plight of these rural areas and will extend his patronage to them.

The Honourable Sir Bhupendra Nath Mitra: Sir, I found a little difficulty in following my Honourable and gallant friend. It seemed at one stage that he was referring to the question of more rapid opening of post offices in rural areas. If that was his point I may tell him that we have found it possible to provide a somewhat larger grant for this purpose in the Budget for 1926-27 than in the Budget for 1925-26. On the other hand it is quite possible that what he really wanted is that we should improve the arrangements regarding delivery in those rural areas. In fact he at one stage said that the letters instead of being delivered twice every week might be delivered once every two days. If that is his point I am afraid it is not possible to meet his wishes because that would mean very considerable increase of expenditure; and in view of what I have heard in this House before, I am pretty sure that that will not meet with much sympathy in this House. I did not understand at all some of my friend's figures when he said that we make a profit of Rs. 50 out of Rs. 100 received at these village post offices. I think Sir Geoffrey Clarke took considerable trouble last session in explaining that these village post offices do not pay, and that they cost us more than the revenue they bring in.

Mr. President: The question is:

"That the Demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 5."

The motion was negatived.

Mr. President: The question is:

"That a sum not exceeding Rs. 10,29,48,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1927, in respect of the 'Indian Postal and Telegraph Department'."

The motion was adopted.

DEMAND NO. 24—INDO-EUROPEAN TELEGRAPH DEPARTMENT.

The Honourable Sir Basil Blackett: Sir, I beg to move:

“That a sum not exceeding Rs. 33,29,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1927, in respect of the ‘Indo-European Telegraph Department’.”

The motion was adopted.

DEMAND NO. 25—INTEREST ON DEBT AND REDUCTION OR AVOIDANCE OF DEBT.

The Honourable Sir Basil Blackett: Sir, I do not know whether I might suggest what I believe to be the opinion of the House that we have done enough for to-day, before I proceed to move the next vote. I beg to move:

“That a sum not exceeding Rs. 94,40,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1927, in respect of ‘Interest on Debt, and Reduction or Avoidance of Debt’.”

Mr. K. Rama Aiyangar: Sir, I beg to move:

“That the Demand under the head ‘Interest on Debt and Reduction or Avoidance of Debt’ be reduced by Rs. 88,06,000.”

That is the votable portion of that Demand, Sir.

I should think that, fortunately for the Finance Member, and unfortunately for the tax-payer, somehow or other this question, on which the Members on this side of the House are agreed, has not been carried against the Government though we tried to do it last year and are again attempting it by this motion this year. Honourable Members might remember that there was a good deal of discussion on this last year, and you, Sir, took a leading part in the discussion. I know that we are weaker to-day than we were last year, but all the same I adhere to my motto that we shall always press what we feel must be pressed, leaving it to the Government to do the right thing or not, as they please. I do contend, Sir, that this provision

An Honourable Member: Have we got a quorum, Sir?

Mr. President: The House stands adjourned till 11 O'clock to-morrow morning.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 11th March, 1926.
